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**PORT OF GREATER
BATON ROUGE**

**GREATER BATON ROUGE
PORT COMMISSION**

**DECEMBER 31, 2001
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

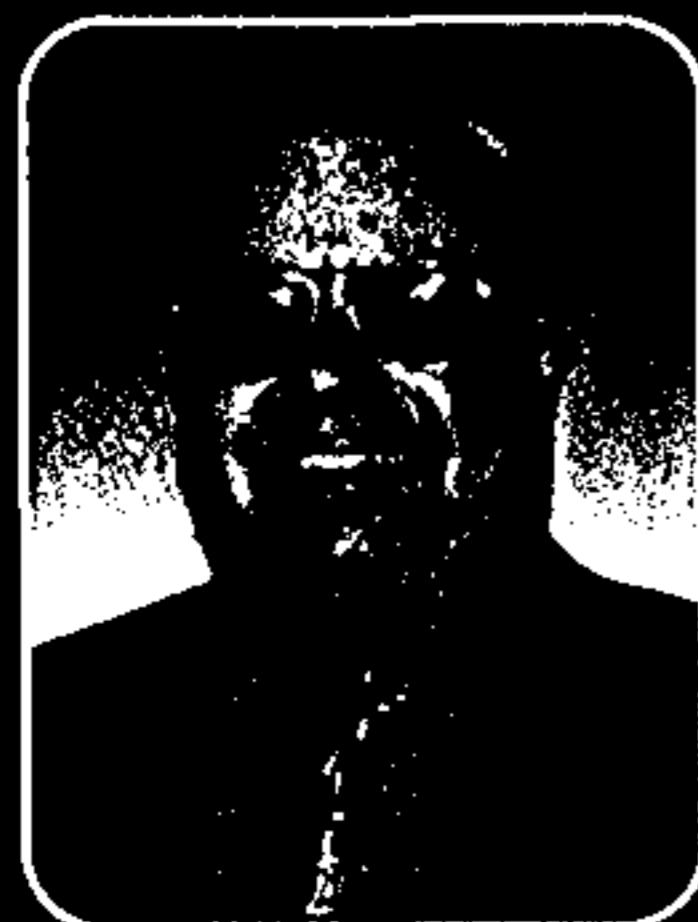
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**A COMPONENT UNIT OF
THE STATE OF LOUISIANA**

GREATER
BATON ROUGE
PORT COMMISSION



ROGER RICHARD
PORT COMMISSION
EXECUTIVE DIRECTOR/CEO



H.M.
KIMBALL, JR.
PORT COMMISSION
PRESIDENT

A COMPONENT UNIT OF
THE STATE OF LOUISIANA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT OF THE
GREATER BATON ROUGE
PORT COMMISSION

FOR THE FOURTEEN-MONTH PERIOD
ENDED DECEMBER 31, 2001



*PORT OF GREATER
BATON ROUGE*

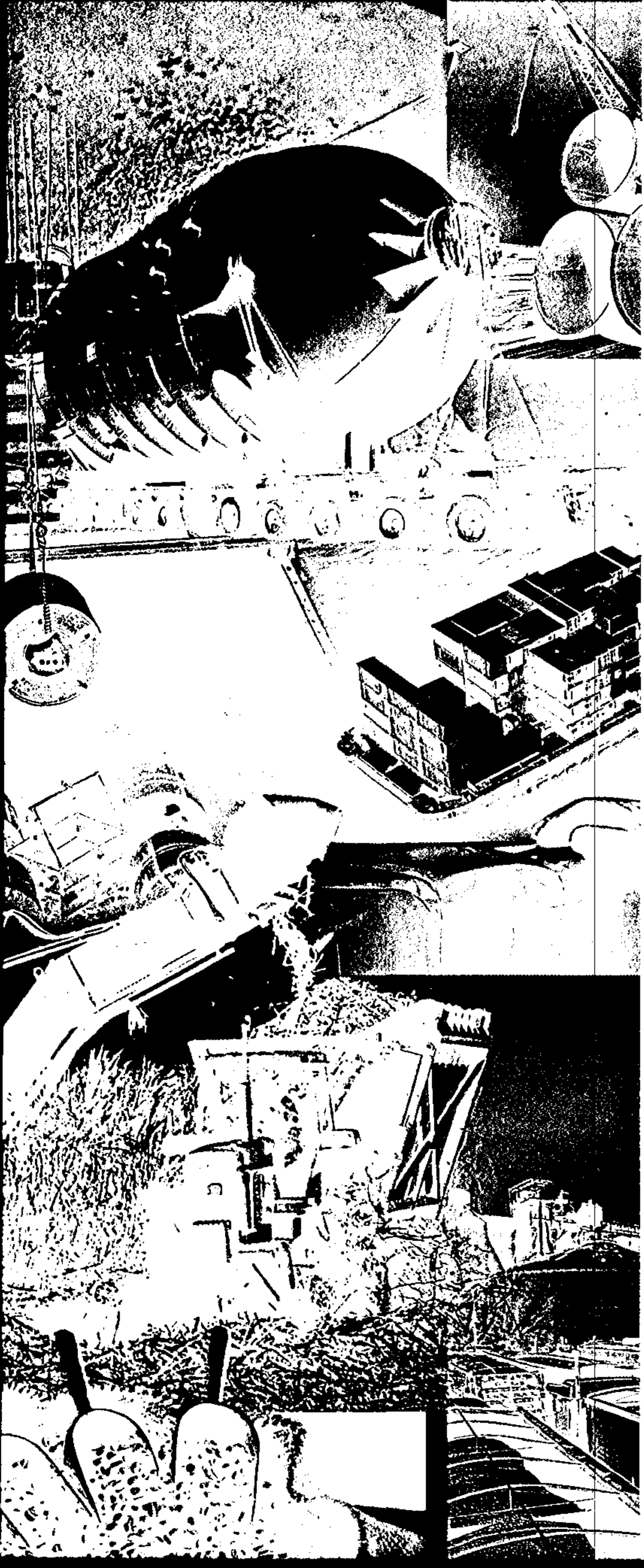
PREPARED BY THE
DEPARTMENT OF FINANCE
AND ADMINISTRATION

ALFRED STARNES,
DIRECTOR OF ADMINISTRATION/FINANCE



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INTRODUCTORY



Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

March 31, 2002

Board of Commissioners
Greater Baton Rouge Port Commission
2425 Ernest Wilson Drive
Port Allen, LA 70767

Dear Commissioners,

It is with great pleasure that I report to you on the state of the port, and I can say that the momentum encountered with the ushering in of the millennium continues to drive the success of the Port of Greater Baton Rouge. Again, as in past years, the substantial support you exhibited during this year allowed the staff to continue our strategy to make the Port of Greater Baton Rouge the transportation and development leader in the region.

As we look behind us at 2001, and focus our vision on the challenges that await us in 2002, our mission to *"promote international and domestic commerce, and facilitate economic development in the region and the State of Louisiana,"* provides guidance for the evolution process necessary for the Port of Greater Baton Rouge to stay competitive. The strategic plan supplies the directives for the implementation of the controlled level of development that will help the Port enhance the fiscal self-sufficiency that is so desired by the administration.

In reviewing financial statement data for the extended fourteen-month period, we find the following results. Operating revenues were \$5,112,937 as compared to \$3,763,187 in 2000. When making a comparison on a twelve-month basis, operating revenues increased by over 16% this year. Operating expenses were also up and reported at \$6,448,012, versus \$5,064,232 in 2000. Again, when compared on a twelve-month basis, expenses were up by 9%. Non-operating revenue of \$1,277,948 was reported, all of which was derived from investment income. The income statement indicated a net loss of \$657,601 after depreciation, and the balance sheet indicated a \$2,630,501 increase in total assets.

Accomplishments for 2001 included:

- Signing of a 25-year agreement with the Louisiana Sugar Cane Products, Inc. for the development of a \$5 million sugar storage and distribution complex to be located at the Port's deepwater complex.
- Implementation of the new railroad switching operation with Rail Link, Inc.
- Renovations on the Port of Greater Baton Rouge Administration Building.
- Construction of a new rail spur and access road at the Inland Rivers Marine Terminal.

- Rehabilitation of Ernest Wilson Drive to include new security complex, wider pavement sections and truck queuing lanes.
- Implementation of the Governmental Accounting Standards Board Statement 34.

While we can look at the overwhelming success with great pride, we must also look at the new security measures that were put into place due to the terrorist attacks of September 11th. That event focused more resources toward properly securing the Port's facilities, and you can be rest assured that we are doing what is necessary to secure your port.

The citizens and businesses within the Port's four-parish jurisdiction can remain confident that we will continue to enhance our already strong role as a development catalyst for the region. Through these efforts, the Port will continue to remain a positive influence in this energetic section of the state.

I look forward to working with you as we move the Port of Greater Baton Rouge forward together.

Sincerely,



Roger P. Richard
Chief Executive Officer



Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

March 31, 2002

Board of Commissioners and Executive Director
Greater Baton Rouge Port Commission
Port Allen, Louisiana

The Comprehensive Annual Financial Report of the Greater Baton Rouge Port Commission (the Commission), for the fourteen-month period ended December 31, 2001, as prepared by the Finance Department, is hereby submitted for your review. This report was processed under the guidance of the Executive Director by the staffs of the Administration and Finance and Sales and Marketing departments. Responsibility for the completeness, accuracy and fairness of the presentation rests with the Finance Director and support staff.

To the best of our knowledge, all data is accurate with regard to all material aspects and is reported in a manner that is designed to fairly present the financial position of the Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

ORGANIZATION AND CONTENT

This Comprehensive Annual Financial Report has been prepared in accordance with guidelines recommended by the Governmental Accounting Standards Board and the Government Finance Officers Association. It consists of four sections:

1. **Introductory Section** - This section includes the Executive Director's message, this letter of transmittal, a management's discussion and analysis, a copy of the 2000 Certificate of Achievement Award, an organizational chart and a list of Commissioners and Directors.
2. **Financial Section** - This section includes the auditor's report, the audited financial statements, including notes to the statements, and supplementary information.
3. **Statistical Section** - This section contains information relative to the types of cargo handled with their corresponding tonnage for the fourteen-month period ended December 31, 2001, as well as the previous four year periods and a revenue and expense comparison for ten years.
4. **Compliance Section** - This section includes the auditor's report on compliance and on internal control over financial reporting, based on their audit of the financial statements.

ECONOMIC OUTLOOK

The 2001 fiscal year was the second year of recorded increases in total tonnage at port related facilities. These increases followed a near record low of 6,777,846 in 1999. Again this year, a majority of the reporting entities documented tonnage increases over the same period in the previous fiscal year. Total tonnage increased from 7,344,317 in 2000 to 7,752,653 for the same twelve-month period in 2001, representing a 5.6% gain. Of the facilities that reported decreases, none were considered significant. The combination of increased tonnage and new business development led to an increase in operating revenues as well. The revenues increased by over 16 % in 2001. Revenues recorded on a twelve-month basis were \$4,382,520 in 2001, compared to \$3,763,187 in 2000. Total operating revenues for the fourteen-month reporting period ended December 31, 2001 were \$5,112,937.

The year 2001 was a year of weakening within the industrial chemical sector of the region and the state. In spite of this downturn and the devastating events of 9/11/01, the port was able to capitalize on an increased need for warehousing of chemical products. Excess space at our General Cargo Docks was leased to local warehouse operators for chemical product storage. This was a contributing factor in the increase in operating revenue during the period.

We continue to believe that the future is bright and that possibilities exist for continued growth at the Port of Greater Baton Rouge. As we maintain our focus on diversification and seek to achieve our latest goals and objectives, we will work to provide economic development opportunities and incentives for both new and existing business.

MAJOR INITIATIVES

The year 2001 proved to be as exciting and challenging as 2000. Operation of the new rice packaging facility came to a close in an unexpected and rapid manner. As such, the hopes for this new line of business ceased to exist as did its favorable economic impact. However, staff immediately began to seek alternative uses for the facility and a significant amount of the space was leased to local warehouse operators for the purpose of short-term cargo storage. Also, a new initiative that was granted board approval during the year was the development of a 10-acre container storage yard. This facility will be constructed on the ports newest industrial development property, enabling a major chemical manufacturer to capitalize on the intermodal transportation capabilities of this site. Loaded containers will be capable of movement by truck, rail or barge when the site is fully developed. Access to water and rail will allow for increased efficiency and significant savings in transportation costs for containerized products. As a complement to this new container storage facility, plans were developed to create additional infrastructure improvements and to purchase container-handling equipment at the adjacent public dock. Another new project that was initiated during the year was a sugar storage facility. A cooperative effort between the state of Louisiana, the local sugar cane industry, and the port, will

allow for the construction of two new 40,000-ton sugar storage warehouses. Expectations are for the buildings to be erected and ready for use during the fall of 2002. Once stored, the sugar will be capable of movement, by conveyor, from these buildings to the cargo docks for loading into barges. The sugar will then be shipped for distribution to the U.S. East coast. Another issue that came to focus during the year was that of security. While security has always been prevalent within port operations, the advent of the terrorist destruction of the World Trade Center Twin Towers has made this matter a much higher priority. Since that day, additional resources have been allocated to the security and safety of facilities, cargo and personnel. It is anticipated that heightened security will add significantly to the operating costs in 2002 and well into the future.

FINANCIAL CONDITION

As demonstrated by the statements and schedules included in the financial section of this report, the Commission continues to be in sound financial condition.

REPORTING ENTITY

The Greater Baton Rouge Port Commission was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and has charge of and administers public wharves, docks, sheds, landings and other structures useful for the commerce of the port area.

FINANCIAL REPORTING

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles applicable to governments and to the guidelines set forth in the industry audit guide, *Audits of State and Local Governmental Units*. The Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The Commission is a component unit of the State of Louisiana and includes only the financial information of this component unit.

FUND DESCRIPTION

The Greater Baton Rouge Port Commission has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

INTERNAL CONTROLS

The management of the Commission is responsible for establishing and maintaining internal controls over its operations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of the costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

The Commission staff prepares an annual Operations and Maintenance budget that is based on expected collections and expenditures, for the fiscal year. The Board of Commissioners approves and adopts the budget, which constitutes the authority of the Commission to incur liabilities and authorize projected expenditures from the respective budgeted categories.

In addition, the Commission approves certain expenses from the general fund account for maintenance of existing facilities and for new construction, on an as needed basis.

Monthly financial statements, which compare actual performance with budget, are presented to the Commission for review of the financial status and to measure the effectiveness of the budgetary controls.

DEBT ADMINISTRATION

The Commission is authorized by the state legislature to have outstanding indebtedness of up to \$100,000,000 evidenced by negotiable bonds or notes.

The Greater Baton Rouge Port Commission has outstanding Bond indebtedness of \$8,608,156 through a 1999A and 1999B Series issue. These bonds mature serially to the year 2019. The bonds are limited and special obligations payable solely from lawfully available funds and certain funds held by the Trustee pursuant to the Trust Indenture. No other assets are available for payment of the principal of, or interest on, the Bonds.

CASH MANAGEMENT

Existing Louisiana state statutes provide the Greater Baton Rouge Port Commission with legal authority to promulgate and implement reasonable standards for its cash management and investment operations. Subsequently, in 1993 the Commission adopted a Statement of Investment and Cash Management Guidelines and Procedures.

The purpose of this statement is to identify policies and procedures that provide for a prudent and systematic approach to the investment and cash management activities of the Commission, including the active management of the Commission's longer term portfolios and cash management, projections of cash flow, control of disbursements and cost effective services from bank and financial services institutions.

RISK MANAGEMENT

The Greater Baton Rouge Port Commission is constantly reviewing its property and liability coverage and is cooperating with its insurance underwriters in a program of risk reduction. The Commission requires its leasees and subcontractors to provide comprehensive coverage for all areas of risk, inclusive of worker's compensation insurance. In addition, the Commission offers employee safety education programs to reduce claims for Worker's Compensation.

Programs for employee health and life insurance are provided through the State of Louisiana. The state provides life and health coverage to its employees, their dependents and retirees. The Commission pays 100% for employees and up to 75% of costs for each eligible retiree who participates in the program. Other supplemental insurances are available to employees. Such coverage's are optional and are paid entirely by the individuals electing to carry them.

INDEPENDENT AUDIT

State statutes require an annual audit by either an independent certified public accountant or the Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent CPA firm, Hannis T. Bourgeois, LLP, for the audit years 1999-2001. The auditor's report on the component unit financial statements is included in the financial section of this report.

AWARDS

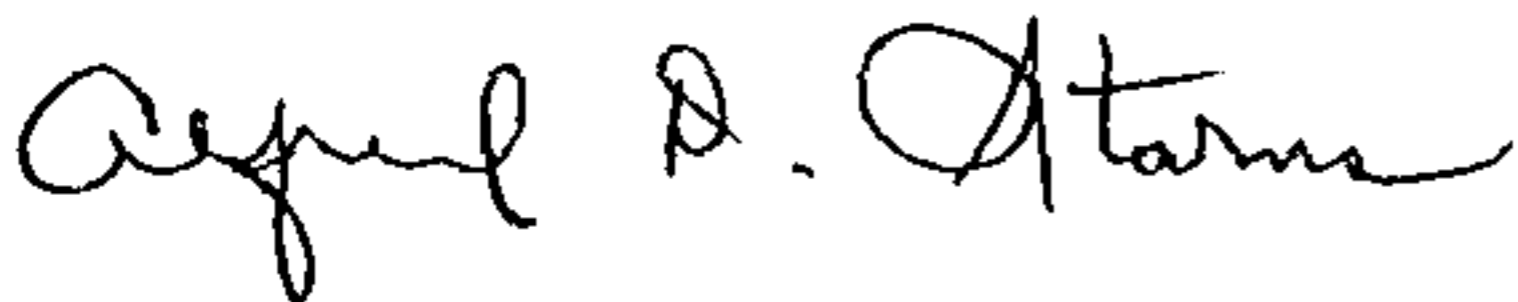
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the year ended October 31, 2000. This was the seventh consecutive year the Port Commission received this prestigious award. To be awarded a Certificate of Achievement, the Port Commission published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the finance/administration department support of the executive department and the personnel of the firm, Hannis T. Bourgeois, LLP. Special recognition is given to Brad Stueber, Accountant Administrator, and Linda Chapman, Administrative Specialist, for their extraordinary efforts.

Respectfully submitted,



Alfred D. Starns
Director Finance and Administration

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Greater Baton Rouge Port Commission performance presents a narrative overview and analysis of the port's financial activities for the fourteen-month period ended December 31, 2001. Effective November 1, 2000, the Commission changed its fiscal period from an October 31 ending date to December 31. This will enable the port to produce financial information that is consistent within the port industry. This document focuses on the current fourteen-month period's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 – 8 and the port's financial statements, which begin on page 17.

As this is the first year that the Commission has implemented the new reporting model along with the change in the Commission's year end, certain comparative information with the previous year, which is by design in this reporting model, will not be included in the analysis as permitted by GASB Statement No. 34 with respect to first year reporting.

FINANCIAL HIGHLIGHTS

- ★ The Greater Baton Rouge Port Commission's assets increased slightly during 2001. Total net assets were \$1,940,586 above the previous year. This represents an increase in total assets of 3.83%.
- ★ During the fourteen-month period, operating expenses exceeded operating revenues by \$1,335,075. Total net non-operating revenue was \$677,474. When combined, operating and non-operating performance measures indicate a net loss of \$657,601. Operating expenses included the following: depreciation recorded at \$2,312,267 representing 35.8% of the total, administrative expenses \$2,088,068, or 32.4%, and direct expenses \$2,047,677, at 31.8%.
- ★ The port's investment portfolio was valued at \$11,272,473 at the end of the period.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis

Basic Financial Statements

Required supplementary information
(other than MD&A)

The preceding graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Greater Baton Rouge Port Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages 19 - 20) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the port commission is improving or deteriorating.

The following is a condensed Balance Sheet at December 31, 2001.

Current and other assets	\$ 22,537,332
Capital assets	40,989,471
Total assets	<u>63,526,803</u>
Current and other liabilities	2,599,630
Long-term debt outstanding	8,323,156
Total liabilities	<u>10,922,786</u>
Net assets:	
Invested in capital assets, net of debt	36,524,578
Restricted	4,476,291
Unrestricted	11,603,148
Total net assets	<u>\$ 52,604,017</u>

The Statement of Revenues, Expenses, and Changes in Net Assets (page 21) presents information showing how the port commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages 22 – 23) presents information showing how the port commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements and grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of the Greater Baton Rouge Port Commission increased by \$1,940,586 from October 31, 2000 to December 31, 2001. One of the major causes of this increase is from additional contributed capital for various capital projects that were in progress during the period.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the fourteen-month period ended December 31, 2001.

Operating revenues	\$ 5,112,937
Operating expenses	<u>(6,448,012)</u>
Operating income(loss)	<u>(1,335,075)</u>
Non-operating revenues(expenses)	<u>677,474</u>
Income(loss) before contributions	<u>(657,601)</u>
Capital Contributions	<u>2,598,187</u>
Net increase(decrease) in net assets	<u>\$ 1,940,586</u>

The Greater Baton Rouge Port Commission's operating revenues increased by \$619,330 and the total cost of programs and services increased by \$462,635, on an annualized basis. Revenue increases were recorded in the rental, harbor fee, and railcar switching categories. Increased expense categories were depreciation, railcar switching, and salaries.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2001, the Port Commission had \$81,417,594 invested in a broad range of capital assets, including, land, railroad tracks and yards, roadways and structures, buildings and

structures, equipment, furnishings and transportation equipment (See following Table). This amount represents a net increase (including additions and deductions) of \$3,978,762 over last period.

Capital Assets

Land	\$ 3,742,143
Buildings and improvements	67,833,038
Equipment	4,539,592
Infrastructure	5,302,821
Totals	\$ 81,417,594

This year's major additions included:

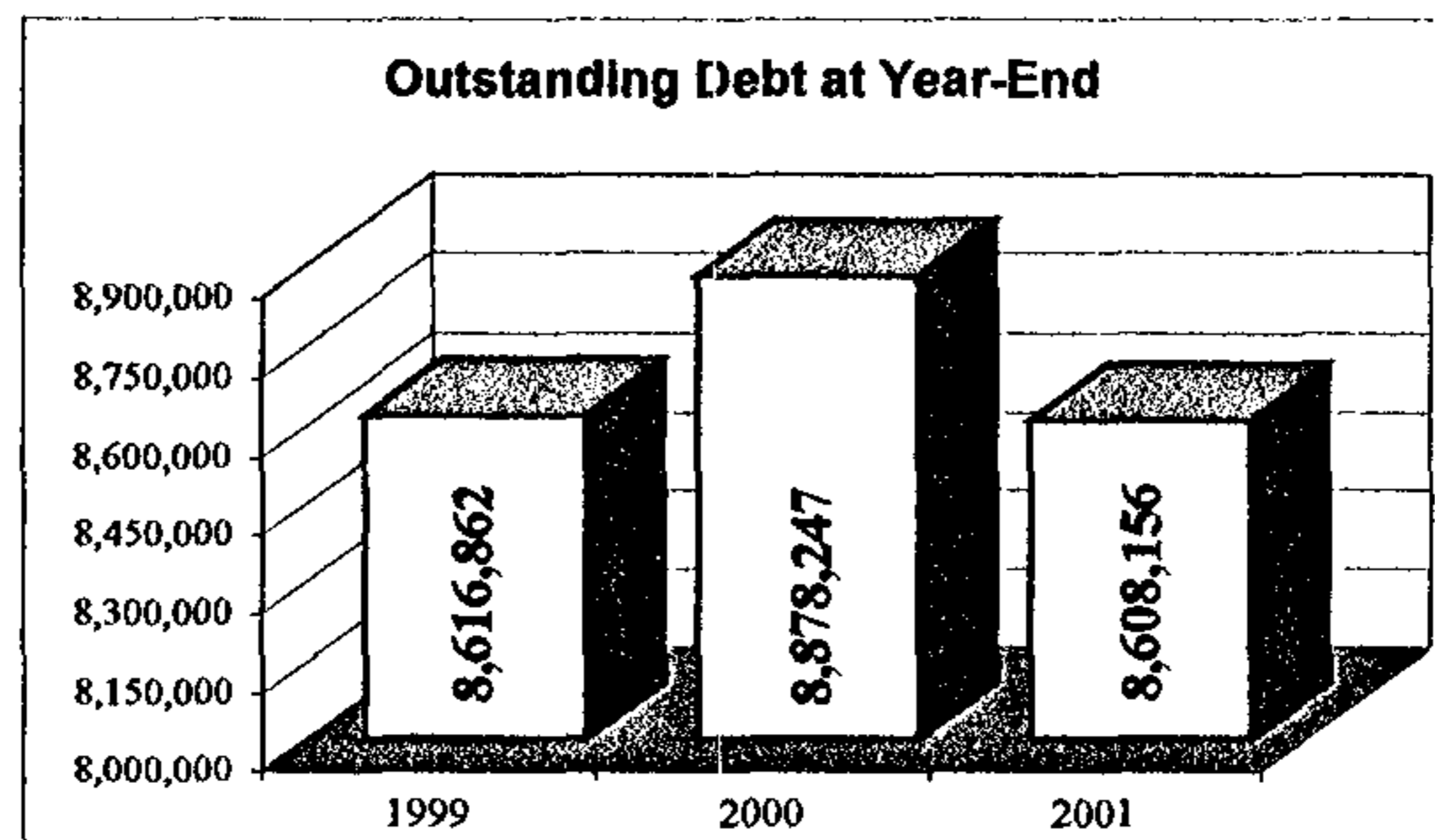
- General Cargo Dock Fender Repairs \$ 1,760,734
- Administration Building Roof \$ 75,714
- Emergency Response Vessel Berth \$ 61,450

Debt

The Greater Baton Rouge Port Commission had \$8,608,156 in bonds and notes outstanding at year-end, compared to \$8,878,247 last year, a decrease of 3.04%.

No new debt was issued during the fourteen-month period ended December 31, 2001.

The Greater Baton Rouge Port Commission carried a BBB- debt rating.



VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues exceeded budget by approximately \$ 0.6 million and expenses were within the budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Greater Baton Rouge Port Commission's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- expected operating needs
- general changes in market conditions
- competition within the industry

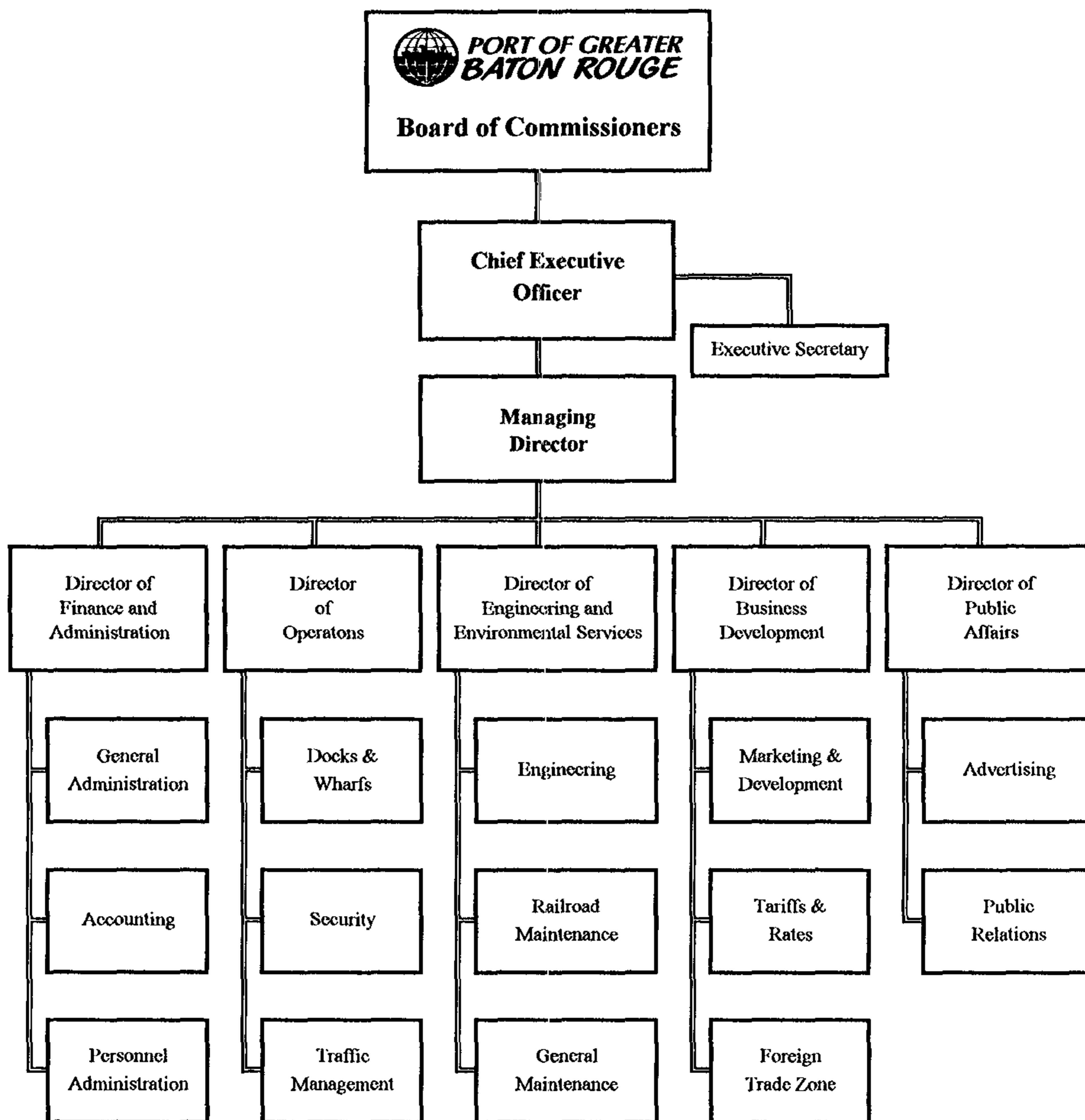
The Greater Baton Rouge Port Commission expects that next year's results will improve based on the following:

- new business developments
- operating efficiency

CONTACTING THE GREATER BATON ROUGE PORT COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Greater Baton Rouge Port Commission's finances and to show the port commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Alfred D. Starns, Director of Finance at (225) 342-1660.

ORGANIZATIONAL CHART





**PORT OF GREATER
BATON ROUGE**

BOARD OF COMMISSIONERS

H. M. Kimball, Jr., President

Larry Johnson, Vice President

Robert E. Wales, Secretary

Charles L. Thibaut, Treasurer

J. Randy Brian, Commissioner

Lorri A. Burgess, Commissioner

Charles D'Agostino, Commissioner

Alvin L. Dragg, Commissioner

Calvin Ishmael, Commissioner

Sandra Ribes, Commissioner

Marilyn B. Robertson, Commissioner

Henry Scott, Commissioner

Lucille Smith, Commissioner

Stephen Wallace, Commissioner

Larry Woods, Commissioner

**The
Greater Baton Rouge Port Commission**
(A Political Subdivision of the State of Louisiana)

PORT STAFF

Roger P. Richard, Chief Executive Officer

Jonathan Daniels, Managing Director

Alfred D. Starns, Director of Finance and Administration

Greg Johnson, Director of Business Development

Karen K. St. Cyr, Director of Public Affairs

Richard G. Savoy, Sr., Director of Operations

John G. Hardman, Jr., P.E., Director of Engineering and Environmental Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge
Port Commission, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
October 31, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Imelda Chave
President

Jeffrey L. Esler
Executive Director





Hannis T. Bourgeois, LLP

Certified Public Accountants

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Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
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Monica L. Zumo, CPA*
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March 13, 2002

Independent Auditor's Report

Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the accompanying basic financial statements of the Greater Baton Rouge Port Commission, a component unit of the State of Louisiana, as of December 31, 2001 and for the fourteen-month period then ended, as listed in the foregoing table of contents. These basic financial statements are the responsibility of management of the Greater Baton Rouge Port Commission. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements present fairly, in all material respects, the financial position of the Greater Baton Rouge Port Commission, as of December 31, 2001, and the results of its operations and its cash flows of its enterprise fund for the fourteen-month period then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State*

and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of November 1, 2000. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2002, on our consideration of the Greater Baton Rouge Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 9 through 13 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information schedules and "Annual Financial Report" as required by the Louisiana Division of Administration listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Greater Baton Rouge Port Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section listed in the table of contents were not audited by us, and, accordingly, we do not express an opinion on them.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Statement A

**Greater Baton Rouge Port Commission
State of Louisiana**

BALANCE SHEET

as of December 31, 2001

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 2,098,092
Investments	11,272,473
Receivables:	
Trade Accounts (Net of Allowance for Uncollectible Accounts of \$131)	541,562
Due From Other Governments	801,073
Accrued Interest Receivable	155,196
Contract Receivable - Current	226,539
Prepaid Expenses	<u>107,178</u>
Total Current Assets	15,202,113

Noncurrent Assets:

Restricted Assets:	
Cash and Cash Equivalents	5,024,004
Accrued Interest Receivable	<u>11,470</u>
Total Restricted Assets	5,035,474

Capital Assets:

Land	3,742,143
Railroad Tracks and Yards	2,467,928
Roadways and Structures	2,834,893
Buildings and Structures	64,493,661
Equipment	3,912,479
Office Furniture and Fixtures	452,534
Transportation Equipment	174,579
Other Construction In-Progress	<u>3,339,377</u>
	81,417,594
Less - Accumulated Depreciation	<u>(40,428,123)</u>
Net Capital Assets	40,989,471

Other Assets:

Contract Receivable - Net of Current Portion	2,018,198
Unamortized Debt Issue Costs	<u>281,547</u>
Total Other Assets	<u>2,299,745</u>
Total Noncurrent Assets	<u>48,324,690</u>

Total Assets **\$ 63,526,803**

The accompanying notes are an integral part of this statement.

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Statement A
(Continued)

LIABILITIES AND NET ASSETS

Current Liabilities:

Payable from Unrestricted Assets:	
Accounts Payable	\$ 224,182
Construction Contracts Payable	1,170,034
Other Accrued Liabilities	318,985
Rentals Received in Advance	<u>338,716</u>
Total Current Liabilities-Payable from Unrestricted Assets	2,051,917

Payable from Restricted Assets:

Bonds Payable - Current Portion	285,000
Accrued Bond Interest	162,786
Unredeemed Bonds and Coupons	<u>99,927</u>
Total Current Liabilities-Payable from Restricted Assets	<u>547,713</u>

Total Current Liabilities 2,599,630

Noncurrent Liabilities:

Long-term Debt	8,337,653
Deferred Amount on Refunding	<u>(14,497)</u>
Total Noncurrent Liabilities	<u>8,323,156</u>
Total Liabilities	10,922,786

Net Assets:

Invested in Capital Assets, Net of Related Debt	36,524,578
Restricted for:	
Capital Projects	4,143,263
Debt Service	333,028
Unrestricted	<u>11,603,148</u>
Total Net Assets	<u>52,604,017</u>

Total Liabilities and Net Assets

\$ 63,526,803

Statement B

**Greater Baton Rouge Port Commission
State of Louisiana**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the fourteen-month period ended December 31, 2001

Operating Revenues:	
Dockage and Wharfage	\$ 1,443,921
Rentals	2,346,758
Freight Handling	700
Storage	6,362
Other	<u>1,315,196</u>
Total Operating Revenues	5,112,937
Operating Expenses:	
Direct	2,047,677
Administrative	2,088,068
Depreciation	<u>2,312,267</u>
Total Operating Expenses	<u>6,448,012</u>
Operating Loss	(1,335,075)
Nonoperating Revenues (Expenses):	
Investment Income	1,277,948
Interest Expense	(576,953)
Gain (Loss) on Sale of Fixed Assets	744
Amortization of Debt Issue, Bond Premium and Deferred Refunding, Net	(18,951)
Trustee's Fees	<u>(5,314)</u>
Total Nonoperating Revenues (Expenses)	<u>677,474</u>
Loss Before Contributions	(657,601)
Capital Contributions	<u>2,598,187</u>
Change in Net Assets	1,940,586
Total Net Assets - Beginning of Period	<u>50,663,431</u>
Total Net Assets - End of Period	<u><u>\$ 52,604,017</u></u>

The accompanying notes are an integral part of this statement.

Statement C

**Greater Baton Rouge Port Commission
State of Louisiana**

STATEMENT OF CASH FLOWS

For the fourteen-month period ended December 31, 2001

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 5,665,549
Cash Payments to Suppliers for Goods and Services	(2,628,409)
Cash Payments to Employees for Services	(1,661,418)
Other Operating Revenues (Expenses)	<u>765,405</u>
Net Cash Provided by Operating Activities	2,141,127

Cash Flows from Capital and Related Financing Activities:

Principal Paid on Bonds	(270,000)
Interest Paid on Bond Maturities	(499,160)
Acquisition/Construction of Capital Assets	(3,267,470)
Proceeds from Sale of Capital Assets	3,349
Capital Contributions	<u>1,175,126</u>
Net Cash Used in Capital and Related Financing Activities	(2,858,155)

Cash Flows from Investing Activities:

Purchases of Investment Securities	(21,053,773)
Proceeds from Calls and Maturities of Investment Securities	20,135,000
Interest and Dividends Earned on Investment Securities	<u>1,209,236</u>
Net Cash Provided by Investing Activities	<u>290,463</u>

Net Decrease in Cash and Cash Equivalents	(426,565)
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Cash and Cash Equivalents at Beginning of Period	<u>7,548,661</u>
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Cash and Cash Equivalents at End of the Period	\$ 7,122,096
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Statement C
(Continued)Greater Baton Rouge Port Commission
State of LouisianaSTATEMENT OF CASH FLOWS - CONTINUED

For the fourteen-month period ended December 31, 2001

**Reconciliation of Operating Loss to Net Cash Provided
by Operating Activities:**

Operating Loss	\$ (1,335,075)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Amortization of Debt Issue Costs	19,042
Depreciation	2,312,267
(Gain) Loss on Sale of Fixed Assets	(744)
Changes in Unrestricted Assets and Liabilities:	
(Increase) Decrease in Trade Accounts Receivable	46,184
(Increase) Decrease in Contract Receivable	214,729
(Increase) Decrease in Prepaid Expenses	2,511
Increase (Decrease) in Accounts Payable	(85,748)
Increase (Decrease) in Construction Contracts Payable	1,022,286
Increase (Decrease) in Other Accrued Liabilities	25,701
Increase (Decrease) in Rentals Received in Advance	(47,796)
Changes in Restricted Liabilities - Unredeemed Bonds and Coupons	<u>(32,230)</u>
Net Cash Provided by Operating Activities	<u>\$ 2,141,127</u>

Schedule of Noncash Investing, Capital and Financing Activities:

Change in Unrealized (Gain) Loss on Investments	<u>\$ (74,928)</u>
Fixed Assets Acquired in Exchange for Lease Termination	<u>\$ (784,492)</u>
Capital Contribution Relating to the Fixed Assets Acquired in Exchange for Lease Termination	<u>\$ 784,492</u>

The accompanying notes are an integral part of this statement.

**Greater Baton Rouge Port Commission
State of Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2001

1. Summary of Significant Accounting Policies

A. Scope of Reporting Entity

The Greater Baton Rouge Port Commission (the Port Commission) was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI, thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Port Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and have charge of and administer public wharves, docks, sheds, and landings and other structures useful for the commerce of the port area.

As the governing authority of the state, for reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (state), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Port Commission is considered a component unit of the State of Louisiana because the state has financial accountability over the Port Commission in that the governor appoints all the commission members and can impose his will on the Port Commission. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Effective November 1, 2000, the Port Commission changed its fiscal year end from October 31 to December 31. Accordingly, these financial statements cover the fourteen-month period ended December 31, 2001.

B. Measurement Focus and Basis of Accounting

Measurement Focus - On November 1, 2000, the Port Commission adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and*

Analysis - for State and Local Government." Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting - The Port Commission uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

Under the provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Port Commission follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

C. Budgets and Budgetary Accounting

The Port Commission uses the following budgetary practices:

The Port Commission prepares the annual Operations and Maintenance budget for internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The budget is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Port Commission to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment from the General Fund budget. The Port Commission is not required to present a budget comparison in its financial statements.

D. Assets, Liabilities, and Net Assets

Cash and Cash Equivalents and Investments - Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. Cash equivalents include amounts in time certificates of deposits. Under state law, the Port Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Port Commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Nonparticipating investment contracts, generally certificates of deposit with a maturity of one year or less, are reported at cost.

Under state law, the Port Commission is authorized to invest funds in direct U.S. Treasury obligations. These investments are U.S. Treasury and other U.S. governmental entities securities with maturities of over one year at the time of purchase. The securities are reported at fair value using current quoted market prices or are assigned a value based on yields currently available on similar securities from the same issuers. In addition, the Port Commission is authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the state treasurer and organized under the laws of the State of Louisiana, which operates the investment pool. The Port Commission's investment in LAMP is reported at fair value.

Receivables - Receivables consist of all revenues earned at year-end and not yet received. All known uncollectible accounts have been removed from receivables and an allowance has been made for doubtful accounts based on a periodic aging of accounts receivable. The majority of receivables consist of dockage/wharfage and rentals.

Capital Assets - Property and equipment are stated at historical cost. Public domain ("infrastructure") general fixed assets including roads, surface drainage, railroad tracks and yards are capitalized along with other fixed assets. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as shown below:

	Years
Railroad tracks and yards	20 to 40
Roadways and surface drainage	5 to 33
Buildings and structures	5 to 40
Equipment	5 to 25
Office furniture and fixtures	3 to 10
Transportation equipment	3 to 5

Restricted Assets - Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to unspent bond proceeds.

Lease Revenue Recognition - Lease rentals, as further explained in note 8, are accounted for under the operating method whereby revenue is recognized currently as rentals become due.

Unamortized Debt Issue Expenses and Bond Premium - Debt expense and bond premium, incurred in connection with the issuance of the bonds, are amortized using the bonds outstanding method over the term of the bonds.

Compensated Absences - Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned.

Equity Classifications - Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets - The components of net asset consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The adoption of Statement No. 34 had no effect on the basic financial statements except for the classification of net assets in accordance with the Statement and the reflection of capital contributions as a change in net assets.

E. Revenues and Expenses

Operating revenues and expenses consists of those revenues and expenses that result from the ongoing principal operations of the Port Commission. Operating revenues consist primarily of charges for services. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the Port Commission's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

2. Deposits and Investments

A. Deposits

The Port Commission's deposits, including current and restricted assets, consists of the following at December 31, 2001:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$ 148,683	\$ 148,683
Category 2	-	-
Category 3	<u>81,613</u>	<u>173,191</u>
Total	230,296	321,874
Deposits Not Subject to Categorization:		
Louisiana Asset Management Pool	1,967,723	1,967,723
Federated Treasury Money Market Fund	<u>4,924,077</u>	<u>4,924,077</u>
	<u>6,891,800</u>	<u>6,891,800</u>
	\$ 7,122,096	\$ 7,213,674
Balance Sheet Classifications:		
Cash and Cash Equivalents	\$ 2,098,092	\$ 2,189,670
Restricted Assets:		
Cash and Cash Equivalents	<u>5,024,004</u>	<u>5,024,004</u>
	\$ 7,122,096	\$ 7,213,674

The Port Commission's bank balances at December 31, 2001, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the Port Commission or its agent in the Port Commission's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the Port Commission's name. Category 3 includes bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institutions or by its trust department or agent but not in the Port Commission's name.

In accordance with GASB Codification Section I50.126, the investment in LAMP is not categorized in a risk category because the investment is in a pool of funds managed by another government. Only political subdivisions having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The fair value of investments as based on quoted market rates is determined on

a weekly basis to monitor any variances between amortized cost and market value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. For purposes of determining participants' shares, investments are valued at amortized cost. In addition, in accordance with GASB Codification, certain money market mutual funds such as the Federated Treasury Fund, are not categorized because they are not evidenced by securities that exist in physical or book entry form.

B. Investments

The Port Commission's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 3 includes uninsured and unregistered investments for which the fiscal agents and/or their trust departments hold the securities.

	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Government Securities	<u>\$ 11,272,473</u>	<u>\$ 11,272,473</u>	<u>\$ 11,272,473</u>
Classifications on Balance Sheet:			
Unrestricted		<u>\$ 11,272,473</u>	<u>\$ 11,272,473</u>

3. Restricted Assets

Restricted assets at December 31, 2001 consist of the following:

Debt Service	\$ 880,741
Capital Projects	4,143,263
Accrued Interest Receivable	<u>11,470</u>
	<u>\$ 5,035,474</u>

The mortgage indentures associated with the outstanding bonds require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2001, the net balance of these accounts was sufficient to meet all requirements.

4. Contract Receivable

The contract receivable amount recorded in these financial statements resulted from a lease termination agreement with Ormet Primary Aluminum Corporation on May 3, 1999. Ormet agreed to pay the Port Commission annual payments for the next ten years, of a minimum of \$350,000 ranging to a maximum of \$450,000 based on annual through put tonnage at the facility. The minimum amount was recorded as a receivable relating to this agreement in prior years. The Contract Receivable as of December 31, 2001 consisted of the following:

\$3,500,000 Face Amount, Noninterest Bearing, \$350,000 due Annually Through 2009	\$ 3,500,000
Less: Contract Installment	(700,000)
Less: Unamortized Discount Based on Imputed Interest of 5.5%	<u>(555,263)</u>
	2,244,737
Less: Current Portion	<u>(226,539)</u>
	<u>\$ 2,018,198</u>

5. Capital Assets

Capital asset activity for the fourteen-month period ended December 31, 2001 was as follows:

	Balance November 1, 2000	Additions	Disposals/ Transfers	Balance December 31, 2001
Land	\$ 3,742,143	\$ -	\$ -	\$ 3,742,143
Railroad Tracks and Yards	2,467,928	-	-	2,467,928
Roadways and Surface Drainage	2,834,893	-	-	2,834,893
Buildings and Structures	61,818,202	2,675,459	-	64,493,661
Equipment	3,920,972	27,657	36,150	3,912,479
Office Furniture and Fixtures	408,853	66,799	23,118	452,534
Transportation Equipment	177,216	11,296	13,933	174,579
Other Construction In-Progress	<u>2,068,625</u>	<u>3,255,866</u>	<u>1,985,114</u>	<u>3,339,377</u>
Total	77,438,832	6,037,077	2,058,315	81,417,594
Less accumulated depreciation:				
	Balance November 1, 2000	Additions	Disposals/ Transfers	Balance December 31, 2001
Railroad Tracks and Yards	\$ 2,168,011	\$ 45,201	\$ -	\$ 2,213,212
Roadways and Surface Drainage	1,320,967	160,291	-	1,481,258
Buildings and Structures	31,487,087	1,890,618	-	33,377,705
Equipment	2,785,588	131,236	36,150	2,880,674
Office Furniture and Fixtures	301,569	66,359	20,866	347,062
Transportation Equipment	<u>123,229</u>	<u>18,562</u>	<u>13,579</u>	<u>128,212</u>
Total Accumulated Depreciation	<u>(38,186,451)</u>	<u>(2,312,267)</u>	<u>(70,595)</u>	<u>(40,428,123)</u>
Net Capital Assets	<u>\$ 39,252,381</u>	<u>\$ 3,724,810</u>	<u>\$ (1,987,720)</u>	<u>\$ 40,989,471</u>

Total depreciation expense for the fourteen-month period ended December 31, 2001 is \$2,312,267.

6. Long-Term Debt

Bonds Payable - The Port Commission is authorized by the State of Louisiana to have outstanding indebtedness up to \$100,000,000 evidenced by negotiable bonds or notes.

The Greater Baton Rouge Port Commission's obligations under the Series 1999A and 1999B Bonds are limited and special obligations payable solely from lawfully available funds (as defined in the Commission's Loan Agreement) and certain funds held by the Trustee pursuant to the Trust Indenture pursuant to which Bonds are issued and secured. No other assets are available for payment of the principal of, or interest on, the Bonds.

The Bonds were issued for the purpose of 1) with respect to the proceeds of the Series 1999A Bonds, currently refunding certain Prior Bonds and paying the costs of certain private activity projects, 2) with respect to the proceeds of the Series 1999B Bonds, paying the costs of certain governmental projects, and 3) paying the costs of issuance of the bonds.

At December 31, 2001 the outstanding indebtedness consisted of the following:

Bond Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable At 11/1/00	Additions	Reductions	Payable At 12/31/01
1999A	2019	100 - 102	8% - 5.5%	\$ 5,535,000	\$ -	\$ 170,000	\$ 5,365,000
1999B	2019	100 - 102	8% - 5.25%	3,205,000	-	100,000	3,105,000
Unamortized Premium on Bonds Payable				<u>162,977</u>	<u>-</u>	<u>10,324</u>	<u>152,653</u>
				8,902,977	-	280,324	8,622,653
Deferred Amount on Refunding				<u>(24,730)</u>	<u>-</u>	<u>(10,233)</u>	<u>(14,497)</u>
				<u>\$ 8,878,247</u>	<u>\$ -</u>	<u>\$ 270,091</u>	<u>\$ 8,608,156</u>
Less: Amounts Due Within One Year Payable From Restricted Assets							<u>(285,000)</u>
Amounts Due After One Year							<u>\$ 8,323,156</u>

The bonds may be called for redemption by the Port Commission at the option of the Port Commission before maturity, in whole or in part, in the inverse order of maturity, on any interest date. Call prices noted are those at which the bonds could be redeemed at November 1, 1999, and thereafter.

Debt service requirements to maturity, including interest requirements are as follows:

2002	\$ 762,012
2003	754,787
2004	752,848
2005	750,472
2006	742,665
2007 - 2011	3,676,180
2012 - 2016	3,672,618
2017 - 2019	<u>2,198,464</u>
Total Principal and Interest	13,310,046
Less: Portion Representing Interest	<u>(4,840,046)</u>
Total Principal Outstanding at December 31, 2001	<u>\$ 8,470,000</u>

Prior Year Refunding - On March 1, 1999, the Port Commission issued \$5,700,000 Series 1999A Revenue and Refunding Bonds and \$3,300,000 Series 1999B Revenue Bonds. A portion of the proceeds of the Series 1999A Bonds in the amount of \$1,764,600 provided the source of funds to advance refund the remaining 1962 Series E bonds payable in the amount of \$1,730,000 along with a prepayment premium of \$34,600. In addition, \$1,000,000 of the proceeds of the Series 1999A bonds were used to completely pay-off the outstanding amount of the Excess Revenue Certificates of Indebtedness Series 1997. There are no outstanding balances on any prior-year bond defeasance as of December 31, 2001.

Total debt service payments over the next 20 years has been increased by approximately \$1,570,000. The Port Commission will experience an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$46,000.

As a result of the refunding of the Series 1962 Series E Bonds the Port Commission implemented GASB Statement No. 23, "Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities." The refunding resulted in the recognition of a Deferred Amount on Refunding of \$40,933.

At December 31, 2001, \$26,436 of the Deferred Amount on Refunding was amortized (\$10,233 in 2001) resulting in a net Deferred Amount on Refunding of \$14,497. This unamortized amount is reflected as a reduction of Bonds Payable on the Balance Sheet.

7. Changes in Amounts Invested in Capital Assets, Net of Related Debt

The change in amounts invested in capital assets, net of related debt can be summarized as follows:

Balance at November 1, 2000	\$ 34,474,059
Change in Capital Assets	1,737,090
Change in Related Debt	270,091
Change in Debt Related to Unspent Proceeds	<u>43,338</u>
Balance at December 31, 2001	<u>\$ 36,524,578</u>

8. Restricted Net Assets

Restricted net assets at December 31, 2001, consist of \$333,028 restricted for debt service and \$4,143,263 restricted for capital projects, consisting of unspent bond proceeds.

The requirements for the debt service, at December 31, 2001, were computed as follows:

Assets Restricted for Bond Retirement and Debt Service	\$ 880,741
Less Current Liabilities Payable from Restricted Assets	<u>(547,713)</u>
	<u>\$ 333,028</u>

9. Leases

A grain storage facility, molasses tank farm, barge terminal, tract of land on which a petroleum terminal is located, public warehouse and various other properties of the Port Commission have been leased to tenants for various terms. The lessees bear substantially all ordinary operating and maintenance expenses of the leased properties and have the option of renewing the leases at the end of the original term.

The carrying values and depreciation expense of the properties leased under long-term leases by the Port Commission are as follows:

Railroad Tracks and Yards	\$ 562,680
Roadways and Surface Drainage	271,512
Buildings and Structures	35,241,270
Equipment	<u>2,257,160</u>
Total Leased Property	38,332,622
Less: Accumulated Depreciation	<u>(20,562,717)</u>
Net Leased Property	<u>\$ 17,769,905</u>
Depreciation Expense	<u>\$ 949,631</u>

The following is a schedule by years of future minimum rental payments receivable on noncancelable long-term leases as of December 31:

<u>Year Ended December 31,</u>	<u>Future Rental Revenues</u>
2002	\$ 1,275,270
2003	966,752
2004	799,947
2005	570,906
2006	208,493
Later Years	<u>7,626</u>
Total Minimum Future Rentals	<u>\$ 3,828,994</u>

For the purpose of these statements, the lease amount as set forth in the original lease agreement or set by the most recent appraisal was used in the determination of the minimum future rentals on long-term leases and thus is subject to change.

10. Retirement System

Substantially all employees of the Port Commission are members of the Louisiana State Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% gross salary, and the Port Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rate for the fourteen-month period ended December 31, 2001, was 13.0% of annual covered payroll. The Port Commission's contributions to the system for the fourteen-month period ended December 31, 2001 was \$194,328. The Port Commission's contributions to the system for the years ended October 31, 2000 and 1999 were \$158,210 and \$150,412, respectively, and were equal to the required contributions for each year.

11. Postretirement Health Care and Life Insurance Benefits

The Port Commission provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Port Commission's employees become eligible for these benefits if they reach normal retirement age while working for the port. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program whose monthly premiums are paid jointly by the employee and the Port Commission. The Port Commission recognizes the cost of providing these benefits to retirees (port's portion of premiums) as an expense when paid during the year. These benefits for 23 retirees totaled \$78,223 for the fourteen-month period ended December 31, 2001.

12. Risk Management and Contingent Liabilities

The Port Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Port Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the port. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the port, or if not so covered, are not expected to have a material effect on the financial statements of the Port Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

13. Deferred Compensation Plan

Certain employees of the port commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the State of Louisiana Public Employees Deferred Compensation Plan are included in the financial statements of the State of Louisiana. Effective November 1, 2000 the Port Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed \$4,250 per calendar year. The Port Commission contribution for the fourteen months ended December 31, 2001 was \$52,339.

14. Construction in Progress

As of December 31, 2001, contracts for construction work in progress have been awarded in the amount of \$11,264,731. Approximately \$3,153,498 of the costs has been incurred. The Port Commission has received reimbursement for these projects of \$1,015,789 from the Department of Transportation and Development. The estimated Port Commission liability to complete construction work in progress after maximum reimbursement is approximately \$675,000, plus additional fees for testing and inspection. At December 31, 2001, contracts for construction work in the amount of approximately \$4,727,000 have not been awarded.

15. Lease Termination - LaGrain International, Inc.

On August 27, 2001, the Port Commission entered into a lease termination agreement with LaGrain International, Inc. ("LaGrain") who was leasing one of the Port Commission's warehouse facilities for a rice mill operation. In consideration for the termination of the lease, LaGrain agreed to pay the Port Commission \$300,000 in cash and, as additional consideration, transfer to the Port Commission certain fixed assets and leasehold improvements that were used by LaGrain in their rice mill operation. LaGrain estimated these assets to have a net book value of approximately \$4,500,000.

The Port Commission determined that fixed assets with a net book value of \$784,492 (consisting mostly of leasehold improvement type items) were to be used by the Port Commission in their operations and have therefore been recorded as fixed assets in these financial statements. The remaining fixed assets (consisting of industry-specific equipment) will likely not be used in any future Port Commission operations since they are specific to a rice mill operation. It is management's intention to market these items to potential buyers involved in rice milling operations.

As specified in the lease termination agreement, in the event the items are sold prior to February 28, 2004, the proceeds of any such sale will be shared on a 50%/50% basis between the Port Commission and LaGrain. Furthermore, as per the agreement, if the Port Commission receives any revenues from the leasing of these fixed assets to any third party prior to February 28, 2004, the revenues are to be shared on a 70%/30% basis between the Port Commission and LaGrain. Any sale proceeds on rental revenues received after this date will be 100% for the Port Commission.

Since the ultimate value of these fixed assets and the sharing of any sales proceeds or rental revenues is yet to be determined, no amounts have been recorded in the financial statements relating to these fixed assets. Rather, any future amounts received relating to the sale or rental of these assets will be recorded when the transaction occurs based on actual amounts to be received.

Supplementary Information

**Greater Baton Rouge Port Commission
State of Louisiana**

SUPPLEMENTAL INFORMATION SCHEDULES

As of December 31, 2001

Schedule of Lease Information

The schedule of lease information provides information regarding property and facilities currently being leased by the port to the various lessees.

Schedule of Future Lease Rentals Revenue Without Options

The schedule of future lease rentals revenue indicates the estimated revenues to be received from the leases currently in effect.

Schedule of Operating Expenses by Major Category

The schedule of operating expenses by major category groups details expenses by major expense category.

Schedule of Administrative Expenses

The schedule of administrative expenses details the administrative expenses by major type.

Summary Schedule of Operating Income (Loss) by Facility

The summary schedule of operating income (loss) by facility details the operating revenues, operating expenses, and depreciation expense by the various port facilities.

Schedule of Commissioners' Per Diem

The schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Per diem payments are authorized by Louisiana Revised Statute 34:1221 and are included in personal services expenses. Board members are paid \$75 per day, to a maximum of 24 days per year, for board meetings and official business. During the period of an emergency as declared and determined by the governor, the Port Commission shall be authorized to hold as many meetings or emergency activities as the board deems necessary and the members shall be paid per diem for such meetings or activities.

**Greater Baton Rouge Port Commission
State of Louisiana**

SCHEDULE OF LEASE INFORMATION

December 31, 2001

<u>Lessee</u>	<u>Facility</u>	<u>Minimum Annual Rental for 2002</u>
ACE Storage	Transit Shed	\$ 149,000
ACE Storage-IRMT	Transit Shed	\$ 43,200
Agway	Five Tracts of Land	\$ 15,000
Associated Barge Terminal of Baton Rouge, LLC	Inland Rivers Dock	\$ 60,000
Baton Rouge Marine Contractors #1	Tract of Land	\$ 4,524
Baton Rouge Marine Contractors #2	Tract of Land	\$ 1,800
Baton Rouge Marine Contractors #3	Office Space	\$ 4,908
Baton Rouge Marine Contractors #4	Tract of Land	\$ 1,200
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	\$ 189,000
Cargill/Seaboard (Flour Mill)	Tract of Land	\$ 12,403
Community Coffee	Building & Land	\$ 70,000
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	\$ 150,000
Louisiana Sugar Products, Inc.	Tract of Land	\$ 25,641

(CONTINUED)

Schedule 1

Current Lease Date of Expiration	Remarks
Month-to-Month	Rent is payable monthly in advance and includes \$400.00 for utilities.
Month-to-Month	Rent is payable monthly in advance. Lease can be terminated by lessee with 60 days written notice.
May 31, 2003	Lessee has option to renew for five years at \$20,000 per year and a second option to renew for an additional five years at \$25,000 per year. Rentals are paid monthly in advance.
March 31, 2005	Lessee has option to renew for three additional four year periods. Rental is payable monthly in advance.
Month-to-Month	Rental is payable monthly in advance.
Indefinite	Rental is payable six months in advance at \$150 per month.
October 31, 2002	Lessee has the option to renew for a ten-year period at the end of the lease term. Rental is payable annually in advance.
June 30, 2003	Rental is payable annually in advance.
October 31, 2005	Lessee pays costs of insurance and maintaining or replacing equipment and has the option to renew for an additional five years at \$235,000 per year.
February 28, 2003	Lessee has the option to renew at the end of the lease term. Rental is payable annually in advance.
April 30, 2004	Rent is payable monthly in advance and can fluctuate in amount based on the PPI (Producer Price Index).
December 31, 2006	Lessee pays costs of insurance, maintaining the facility and maintaining or replacing equipment and has the option to renew at the end of the lease. Rent is payable in semiannual installments.
April 30, 2006	Rent is payable monthly in advance. Lessee has option to renew for four additional five-year periods.

**Greater Baton Rouge Port Commission
State of Louisiana**

SCHEDULE OF LEASE INFORMATION - (CONTINUED)

As of December 31, 2001

<u>Lessee</u>	<u>Facility</u>	<u>Minimum Annual Rental for 2002</u>
Petroleum Fuel & Terminal (Apex)	Tract of Land	\$ 30,000
Rail Link, Inc.	Office Space	\$ 12,000
Ramsay-Scarlett	Warehouse & Land	\$ 139,825
South Louisiana Cement, Inc.	Tract of Land	\$ 22,500
Stone Oil Distributor	Tract of Land	\$ 72,000
Telecorp	Space on Water Tower	\$ 9,600
T.T. & H Warehouse, Inc. #1	Facility	\$ 96,000
Westway Industrial Molasses #1	Molassess Tank Farm	\$ 98,600
Westway Industrial Molasses #2	Tract of Land	\$ 34,785
Westway Industrial Molasses #3	Tract of Land	\$ 14,213
Westway Industrial Molasses #4	Tract of Land	\$ 13,320
Others	Various	\$ 5,751

**Schedule 1
(Continued)**

<u>Current Lease Date of Expiration</u>	<u>Remarks</u>
September 30, 2004	Lessee has option to renew for three additional three-year periods. Rent is payable annually in advance.
January 31, 2006	Rent is payable monthly in advance.
March 31, 2005	Rent is payable monthly in advance.
December 31, 2005	Rent is payable monthly in advance. Lease provides for a progress increase in wharfage rates on cement and aggregate. A progressive increasing minimum tonnage per year is guaranteed in the lease.
October 31, 2003	Lessee has option to renew for three additional five year periods. Rent is payable semi-annually in advance.
August 18, 2003	Lessee has option to renew for a first five-period at \$900 per month, a second five-year period at \$1,000 per month, and a third five-year period at \$1,100 per month. Rentals are paid monthly in advance.
March 31, 2003	Lessee has the option to renew at the end of the lease. Rent is payable monthly in advance.
April 30, 2006	Lessee pays cost of insurance and maintaining the facility and has the option to renew at the end of the lease term. The Port Commission is responsible for replacements due to ordinary wear and tear. Rental is payable monthly in advance.
February 28, 2006	Rental is payable in advance.
April 30, 2006	Rental is payable in advance.
December 31, 2003	Rental is payable in advance.
Various	The Port Commission has leased minor items of property and equipment to others. Annual rentals, expiration dates, and other terms vary with each lease.

**Greater Baton Rouge Port Commission
State of Louisiana**

SCHEDULE OF FUTURE LEASE RENTALS REVENUE WITHOUT OPTIONS

December 31, 2001

<u>Lessee</u>	<u>Facility</u>	<u>2002</u>	<u>2003</u>
ACE Storage	Transit Shed	\$ 149,000	\$ -
ACE Storage-IRMT	Transit Shed	43,200	-
Agway	Five Tracts of Land	15,000	6,250
Associated Barge Terminal of Baton Rouge, LLC	Inland Rivers Dock	60,000	60,000
Baton Rouge Marine Contractors, #1	Tract of Land	4,524	-
Baton Rouge Marine Contractors, #2	Tract of Land	1,800	1,800
Baton Rouge Marine Contractors, #3	Office Space	4,908	-
Baton Rouge Marine Contractors, #4	Tract of Land	1,200	600
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	189,000	189,000
Cargill/Seaboard (Flour Mill)	Tract of Land	12,403	2,067
Community Coffee	Building & Land	70,000	70,000
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	150,000	150,000
Louisiana Sugar Products, Inc.	Tract of Land	25,641	25,641
Petroleum Fuel & Terminal (Apex)	Tract of Land	30,000	30,000
Rail Link, Inc.	Office Space	12,000	12,000
Ramsay-Scarlett	Warehouse & Land	139,825	139,825
South Louisiana Cement, Inc.	Tract of Land	22,500	22,500
Stone Oil Distributor	Tract of Land	72,000	60,000
Telecorp	Space on Water Tower	9,600	6,400
T.T. & H Warehouse, Inc. #1	Facility	96,000	24,000
Westway Industrial Molasses #1	Molasses Tank Farm	98,600	98,600
Westway Industrial Molasses #2	Tract of Land	34,785	34,785
Westway Industrial Molasses #3	Tract of Land	14,213	14,213
Westway Industrial Molasses #4	Tract of Land	13,320	13,320
Other	Baton Rouge Steamship	624	624
	City of Port Allen	100	100
	Judson Baptist	1,000	1,000
	Savoie Industries, Inc.	3,019	3,019
	WBR Chamber of Commerce	1,008	1,008
		<u>\$1,275,270</u>	<u>\$ 966,752</u>

Schedule 2

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Later</u>	<u>Options End</u>
\$ -	\$ -	\$ -	\$ -	Month-to-Month
-	-	-	-	Month-to-Month
-	-	-	-	05/31/03
60,000	15,000	-	-	03/31/05
-	-	-	-	Month-to-Month
1,800	1,800	1,800	1,800	Indefinite
-	-	-	-	10/31/02
-	-	-	-	06/30/03
189,000	157,500	-	-	10/31/05
-	-	-	-	02/28/03
23,332	-	-	-	04/30/04
150,000	150,000	150,000	-	12/31/06
25,641	25,641	8,547	-	04/30/06
22,500	-	-	-	09/30/04
12,000	12,000	1,000	-	01/31/06
139,825	34,956	-	-	03/31/05
22,500	22,500	-	-	12/31/05
-	-	-	-	10/31/03
-	-	-	-	08/18/03
-	-	-	-	03/31/03
98,600	98,600	32,867	-	04/30/06
34,785	34,785	5,798	-	02/28/06
14,213	14,213	4,738	-	04/30/06
-	-	-	-	12/31/03
624	624	624	624	Indefinite
100	100	100	2,183	12/31/28
1,000	-	-	-	12/31/04
3,019	3,019	3,019	3,019	12/31/07
1,008	168	-	-	02/28/05
<u>\$ 799,947</u>	<u>\$ 570,906</u>	<u>\$ 208,493</u>	<u>\$ 7,626</u>	

Schedule 3

Greater Baton Rouge Port Commission
State of LouisianaSCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY

For the fourteen-month period ended December 31, 2001

<u>Major Category</u>	
Personnel Services	\$ 2,251,119
Operating Services	1,296,624
Travel	85,790
Supplies	172,097
Professional Services	271,747
Depreciation	2,312,267
Other	<u>58,368</u>
Total	<u>\$ 6,448,012</u>

Schedule 4

**Greater Baton Rouge Port Commission
State of Louisiana**

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the fourteen-month period ended December 31, 2001

Director's Salary	\$ 136,187
Other Salaries and Wages	656,415
Annual, Sick and Compensatory Leave	91,665
Legal	95,962
Advertising	232,379
Bad Debts	25,004
Travel	83,409
Trade and Sales Solicitation	48,959
Education Expenses	29,998
Auditing	24,050
Engineering	28,255
Consulting Fees	39,319
Legislative Consultant Fees	44,846
Contributions to State Retirement System, Payroll Taxes, and Group Insurance Program	247,045
Office Supplies and Postage	48,500
Telephone and Telegraph	14,393
Dues and Subscriptions	24,666
Utilities	17,406
Office Repairs and Maintenance	102,049
Automobile Expenses	2,536
Insurance	43,755
Outside Administrative Services	4,299
Miscellaneous	22,596
Commissioners' Per Diem	<u>24,375</u>
	 \$ 2,088,068 <u> </u>

**Greater Baton Rouge Port Commission
State of Louisiana**

SUMMARY SCHEDULE OF OPERATING INCOME (LOSS) BY FACILITY

For the fourteen-month period ended December 31, 2001

	<u>Operating Revenues</u>	<u>Operating Expenses</u>
Grain Elevator	\$ 643,554	\$ 15,127
General Cargo Docks	1,214,263	1,119,158
Baton Rouge Barge Terminal	352,575	9,654
Molasses Tank Farm	317,040	169,780
West Bank Railroad Facility	596,359	534,254
Petroleum Terminal	363,819	4,386
Midstream Bulk Handling Facility	113,100	864
Miscellaneous River Activities	518,980	-
Miscellaneous East and West		
Bank Activities	787,019	486
Inland Rivers Marine Terminal	191,228	191,770
Foreign Trade Zone	<u>15,000</u>	<u>2,198</u>
Totals Before Administrative Expenses	5,112,937	2,047,677
Administrative Expenses	<u>-</u>	<u>2,088,068</u>
Total	<u>\$ 5,112,937</u>	<u>\$ 4,135,745</u>

Schedule 5

<u>Depreciation</u>	<u>Operating Income (Loss)</u>
\$ 252,190	\$ 376,237
1,435,282	(1,340,177)
547	342,374
171,687	(24,427)
42,404	19,701
96,930	262,503
18,365	93,871
-	518,980
-	786,533
202,922	(203,464)
-	<u>12,802</u>
2,220,327	844,933
<u>91,940</u>	<u>(2,180,008)</u>
\$ 2,312,267	\$ (1,335,075)
<u><u> </u></u>	<u><u> </u></u>

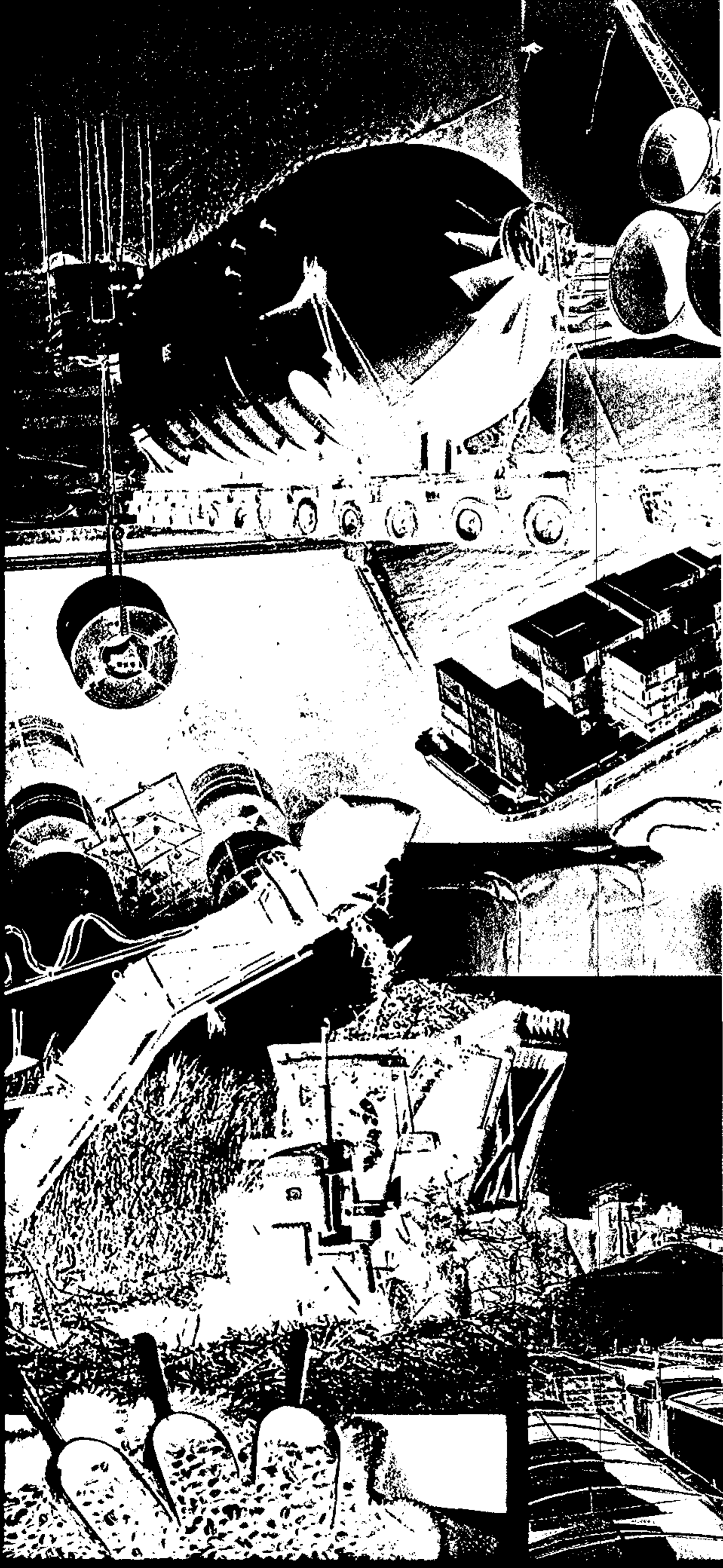
Schedule 6

**Greater Baton Rouge Port Commission
State of Louisiana**

SCHEDULE OF COMMISSIONER'S PER DIEM

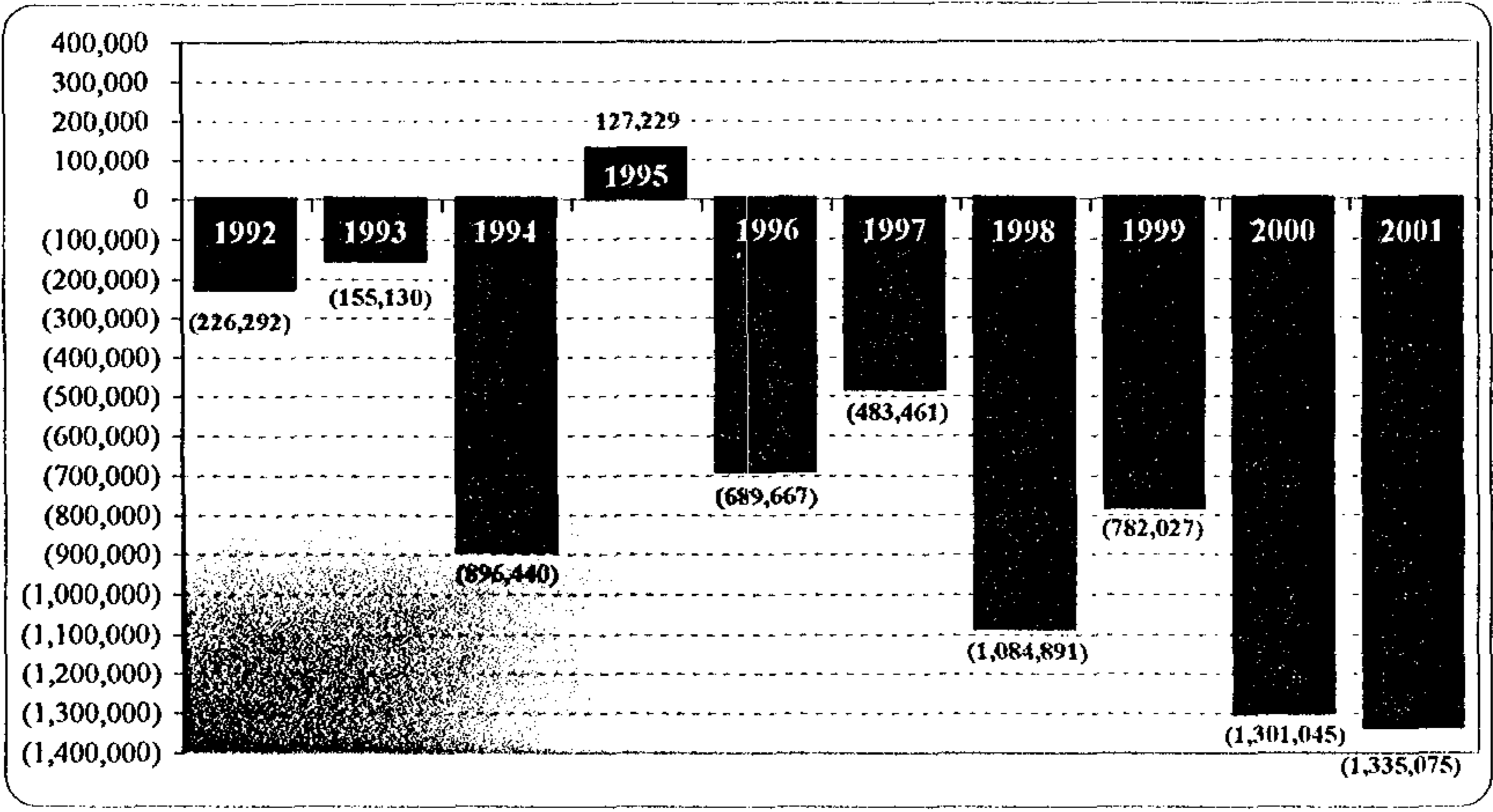
For the fourteen-month period ended December 31, 2001

<u>Commissioner</u>	<u>Number of Days for Which Paid</u>	<u>Amount</u>
Anderson, Johnny	14	\$ 1,050
Brian, Randy	23	1,725
Burgess, Lorri Ann	8	600
D'Agastino, Charles	24	1,800
Dragg, Alvin	23	1,725
Ishmael, Calvin	15	1,125
Johnson, Larry	27	2,025
Juneau, Jerald	2	150
Kimball, H.M.	27	2,025
Ribes, Sandra	1	75
Robertson, Lynn	23	1,725
Scott, Henry	24	1,800
Smith, Lucille	25	1,875
Thibaut, Charles	23	1,725
Wales, Robert	25	1,875
Wallace, Steve	19	1,425
Woods, Larry	22	<u>1,650</u>
		<u>\$ 24,375</u>

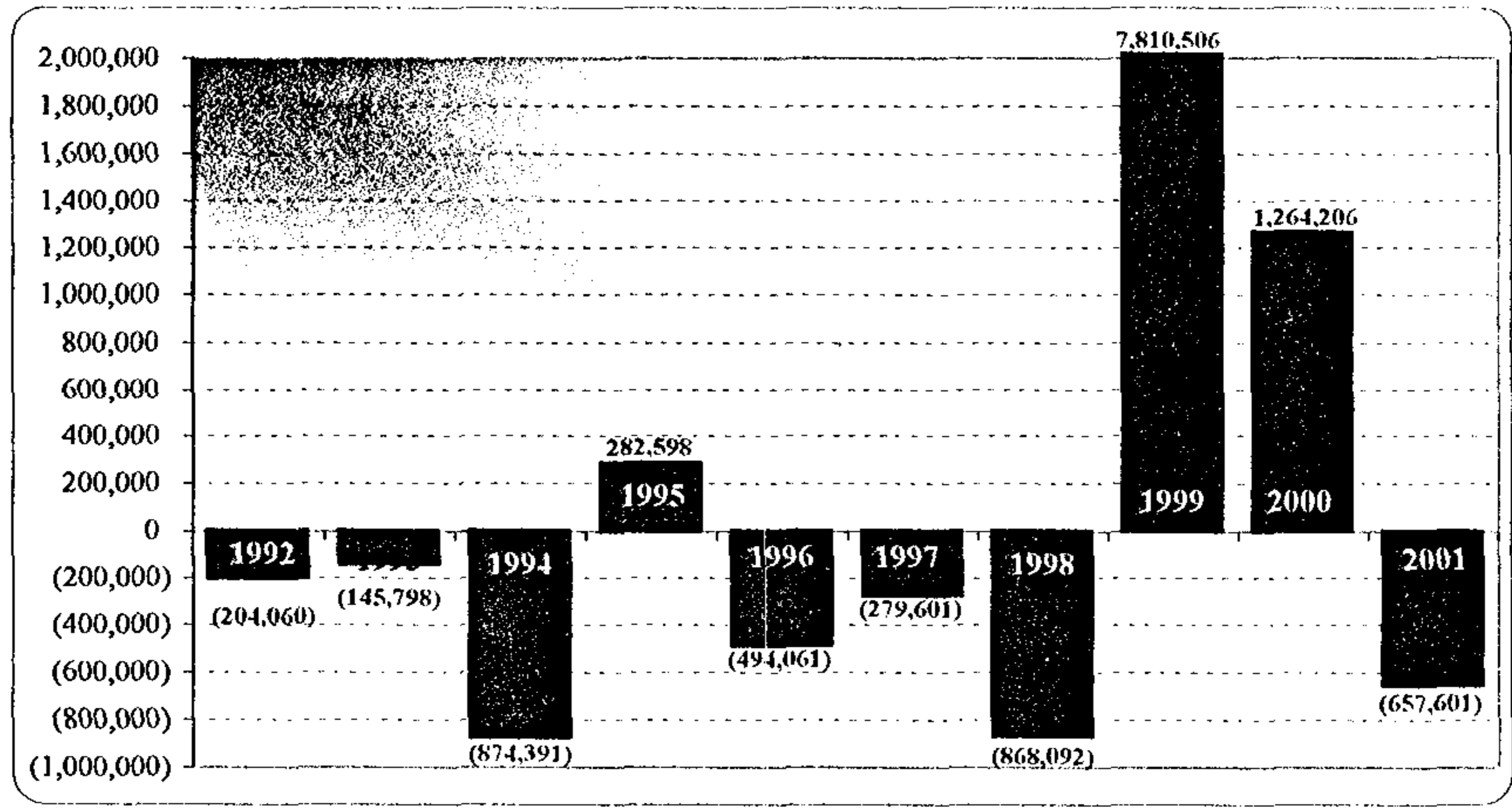


STATISTICAL

**Greater Baton Rouge Port Commission
Ten Year Comparison
Operating Income (Loss) (In Dollars) (Unaudited)
For the Fiscal Years Ended October 31, 1992 through 2000
and the Fourteen-month period ended December 31, 2001**



**Greater Baton Rouge Port Commission
Ten Year Comparison
Net Income (Loss) (In Dollars) (Unaudited)
For the Fiscal Years Ended October 31, 1992 through 2000
and the Fourteen-month period ended December 31, 2001**



**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA**

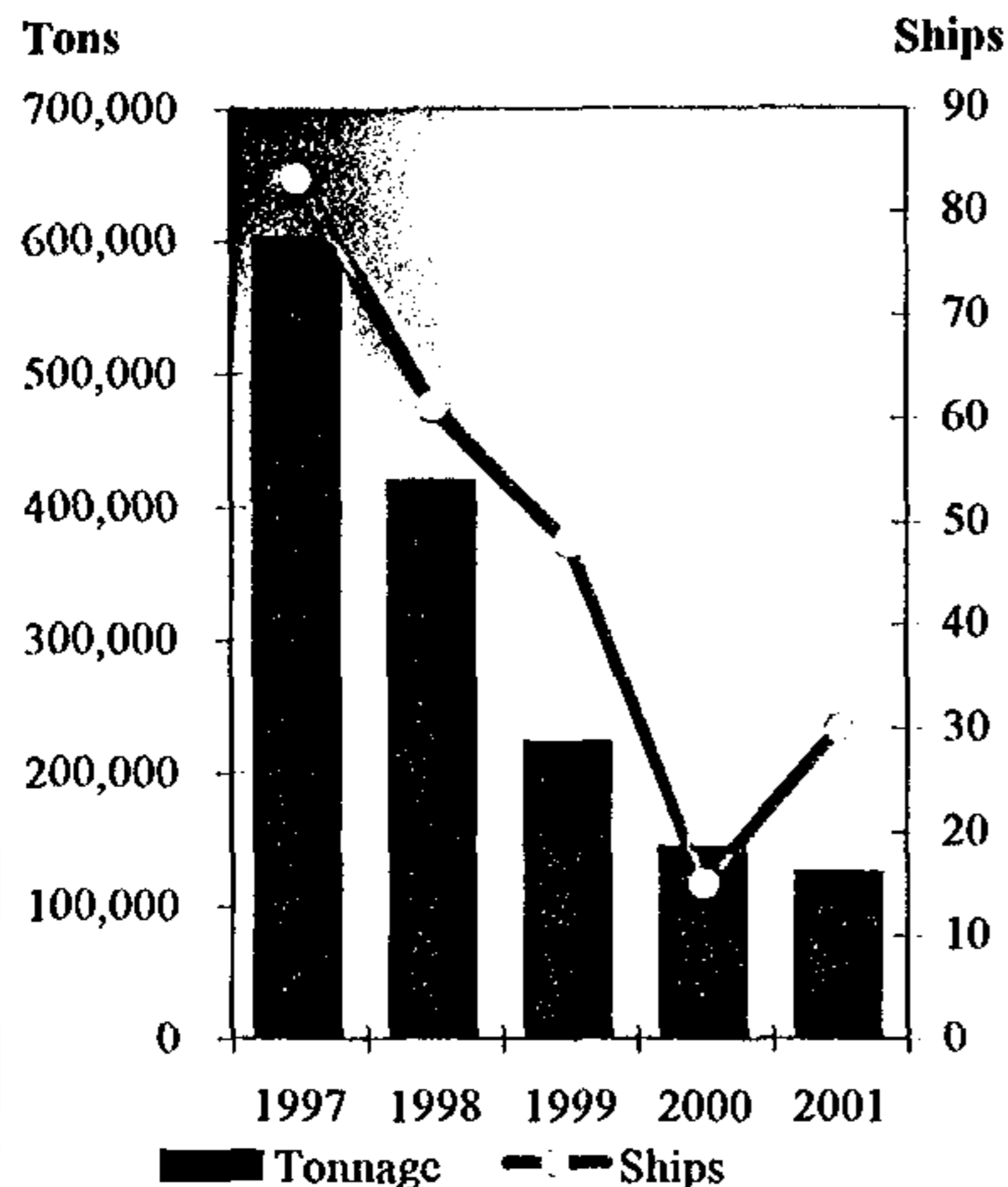
Summary of Revenues, Expenses, and Net Income (Loss)
For the Fiscal Years Ended October 31, 1992 through 2000
For the Fourteen-month period Ended December 31, 2001
(Unaudited)

	1992	1993	1994
OPERATING REVENUES			
Dockage and wharfage	2,125,422	2,209,685	1,751,445
Rentals	699,345	734,523	739,474
Freight handling	322,230	221,828	240,424
Storage	58,651	43,887	5,276
Other	824,380	836,217	803,127
Total	<u>4,030,028</u>	<u>4,046,140</u>	<u>3,539,746</u>
OPERATING EXPENSES			
Direct	1,813,857	1,705,200	1,861,499
Administrative	916,786	918,729	910,778
Depreciation	1,525,677	1,577,341	1,663,909
Total	<u>4,256,320</u>	<u>4,201,270</u>	<u>4,436,186</u>
Operating Income (Loss)	(226,292)	(155,130)	(896,440)
NONOPERATING REVENUES (Expenses)			
Investment income	185,531	141,916	160,042
Miscellaneous	29,257	30,909	
Gain of sale of fixed assets			
Income from lease termination			
Settlement income			
Interest expense	(182,630)	(157,955)	(132,510)
Amortization of debt issue and bond premium, net	(452)	(414)	(375)
Trustee's fees	(9,474)	(5,124)	(5,108)
Total	<u>22,232</u>	<u>9,332</u>	<u>22,049</u>
Net Income (Loss) before extraordinary item	(204,060)	(145,798)	(874,391)
Extraordinary item	<u>None</u>	<u>None</u>	<u>None</u>
Net Income (Loss)	<u>(204,060)</u>	<u>(145,798)</u>	<u>(874,391)</u>

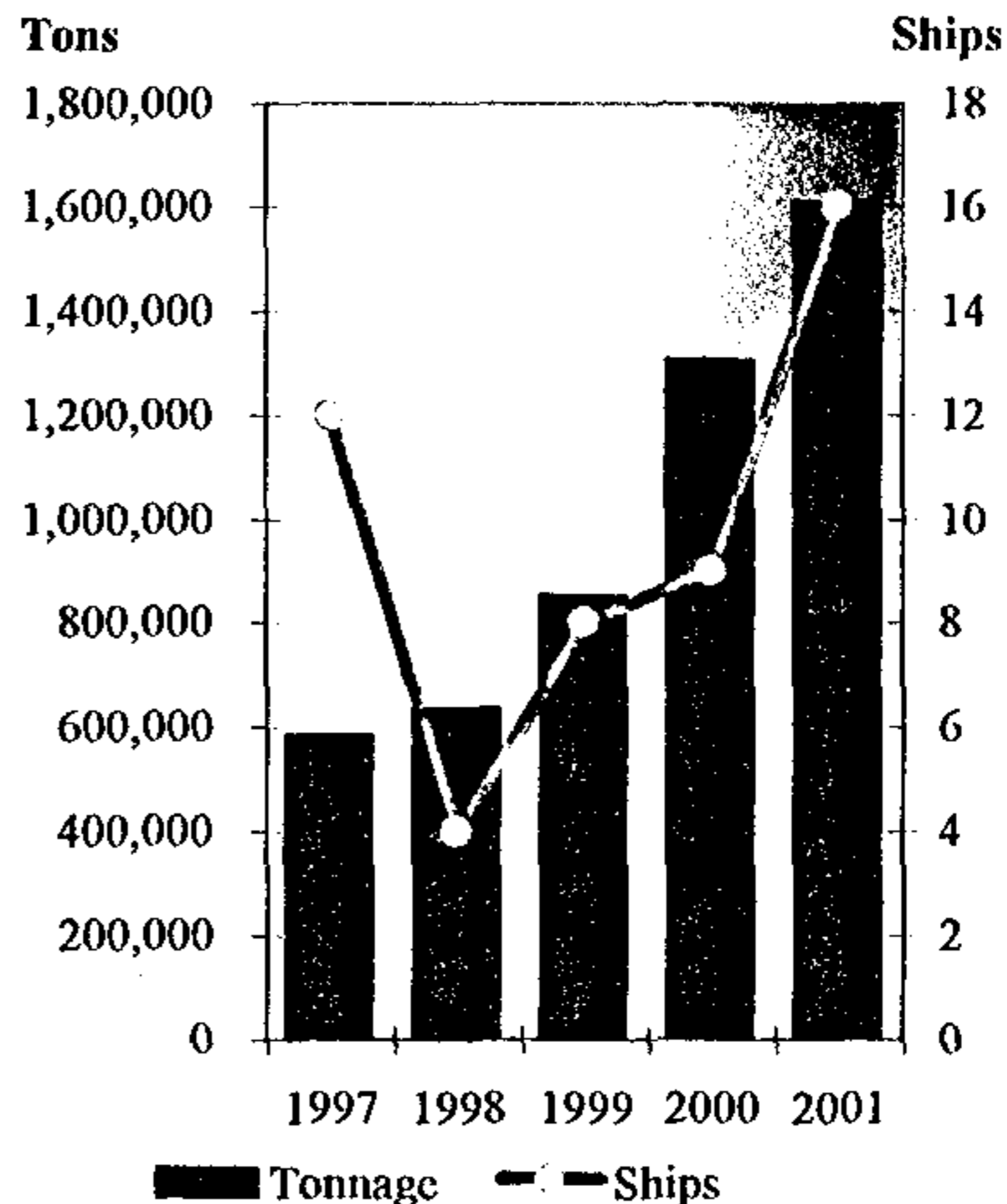
1995	1996	1997	1998	1999	2000	2001
2,237,645	2,039,686	2,135,918	1,659,264	1,367,474	1,139,604	1,443,921
760,617	837,053	874,521	986,168	1,347,279	1,662,419	2,346,758
575,118	169,388	61,255	87,691	20,887	200	700
5,050	37,970	38,452	83,380	49,636	39,680	6,362
1,013,393	959,842	931,699	866,871	835,763	921,284	1,315,196
<u>4,591,823</u>	<u>4,043,939</u>	<u>4,041,845</u>	<u>3,683,374</u>	<u>3,621,039</u>	<u>3,763,187</u>	<u>5,112,937</u>
1,867,646	1,994,598	1,686,793	1,957,700	1,552,082	1,515,438	2,047,677
1,140,418	1,293,318	1,169,836	1,258,117	1,296,006	1,702,111	2,088,068
1,456,530	1,445,690	1,668,677	1,552,448	1,554,978	1,846,683	2,312,267
<u>4,464,594</u>	<u>4,733,606</u>	<u>4,525,306</u>	<u>4,768,265</u>	<u>4,403,066</u>	<u>5,064,232</u>	<u>6,448,012</u>
127,229	(689,667)	(483,461)	(1,084,891)	(782,027)	(1,301,045)	(1,335,075)
290,044	331,983	327,935	347,400	533,011	1,136,111	1,277,948
430				5,803,079	(27,558)	744
				2,638,169		
					2,000,000	
(132,056)	(130,689)	(120,037)	(127,272)	(368,374)	(516,893)	(576,953)
(335)	(292)	(248)	(1,701)	(11,120)	(17,968)	(18,951)
(2,714)	(5,396)	(3,790)	(1,628)	(2,232)	(8,441)	(5,314)
<u>155,369</u>	<u>195,606</u>	<u>203,860</u>	<u>216,799</u>	<u>8,592,533</u>	<u>2,565,251</u>	<u>677,474</u>
282,598	(494,061)	(279,601)	(868,092)	7,810,506	1,264,206	(657,601)
None	None	None	(516,242)	None	None	None
<u>282,598</u>	<u>(494,061)</u>	<u>(279,601)</u>	<u>(1,384,334)</u>	<u>7,810,506</u>	<u>1,264,206</u>	<u>(657,601)</u>

GENERAL CARGO DOCKS

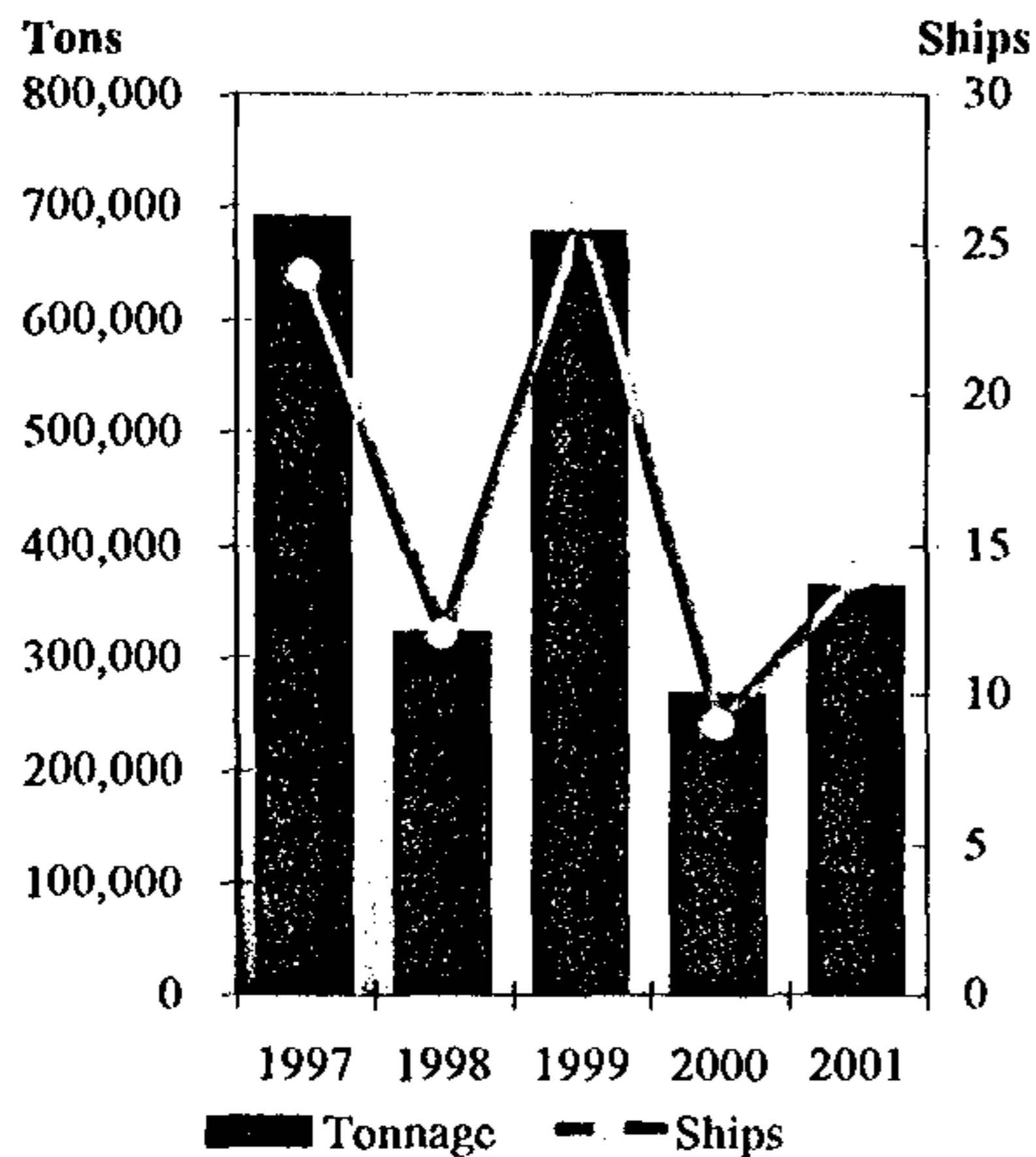
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
Reported in Short Tons (Unaudited)

**PETROLEUM TERMINAL**

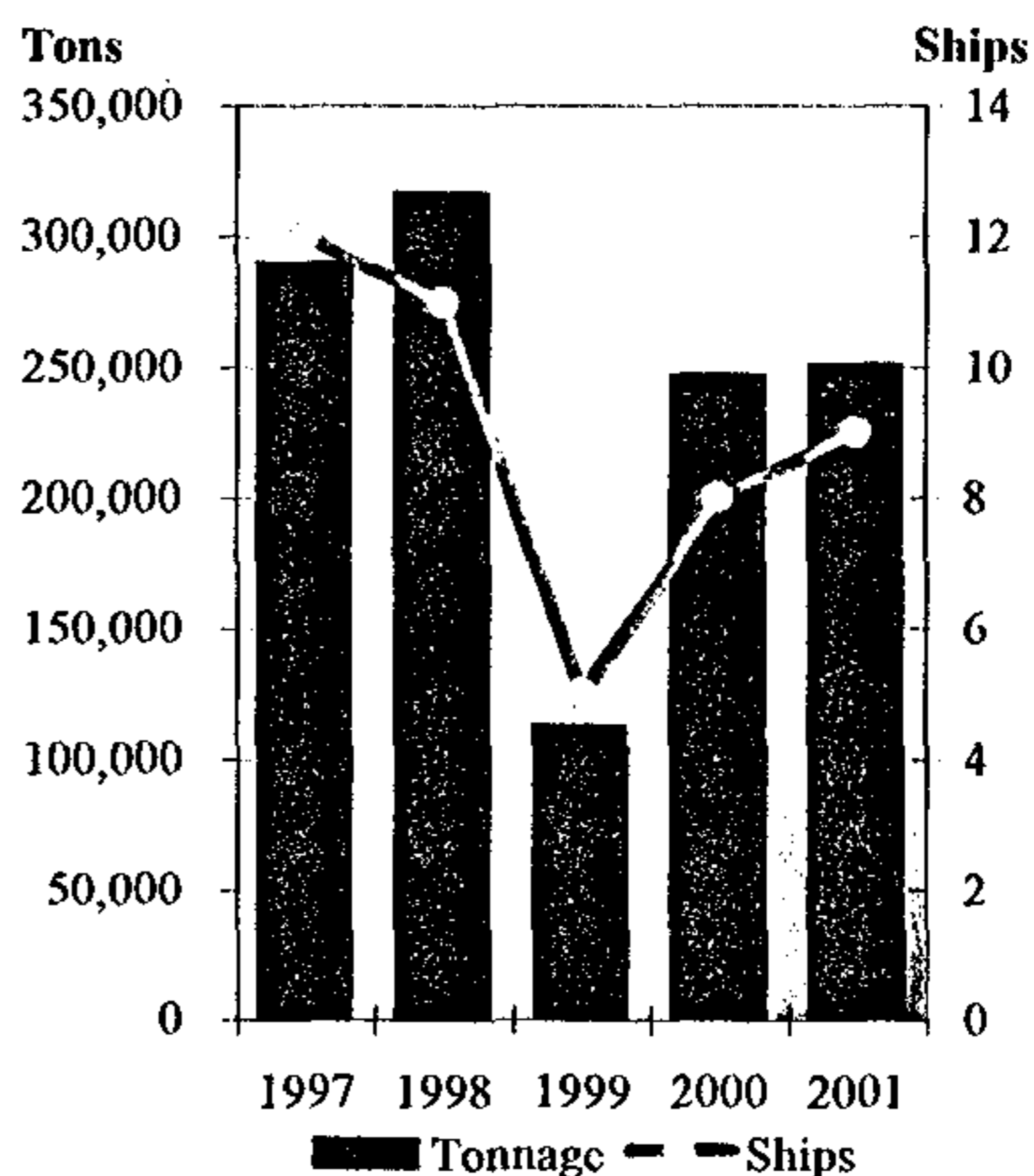
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
Reported in Short Tons (Unaudited)

**CARGILL GRAIN ELEVATOR**

For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
Reported in Short Tons (Unaudited)

**MOLASSES TERMINAL**

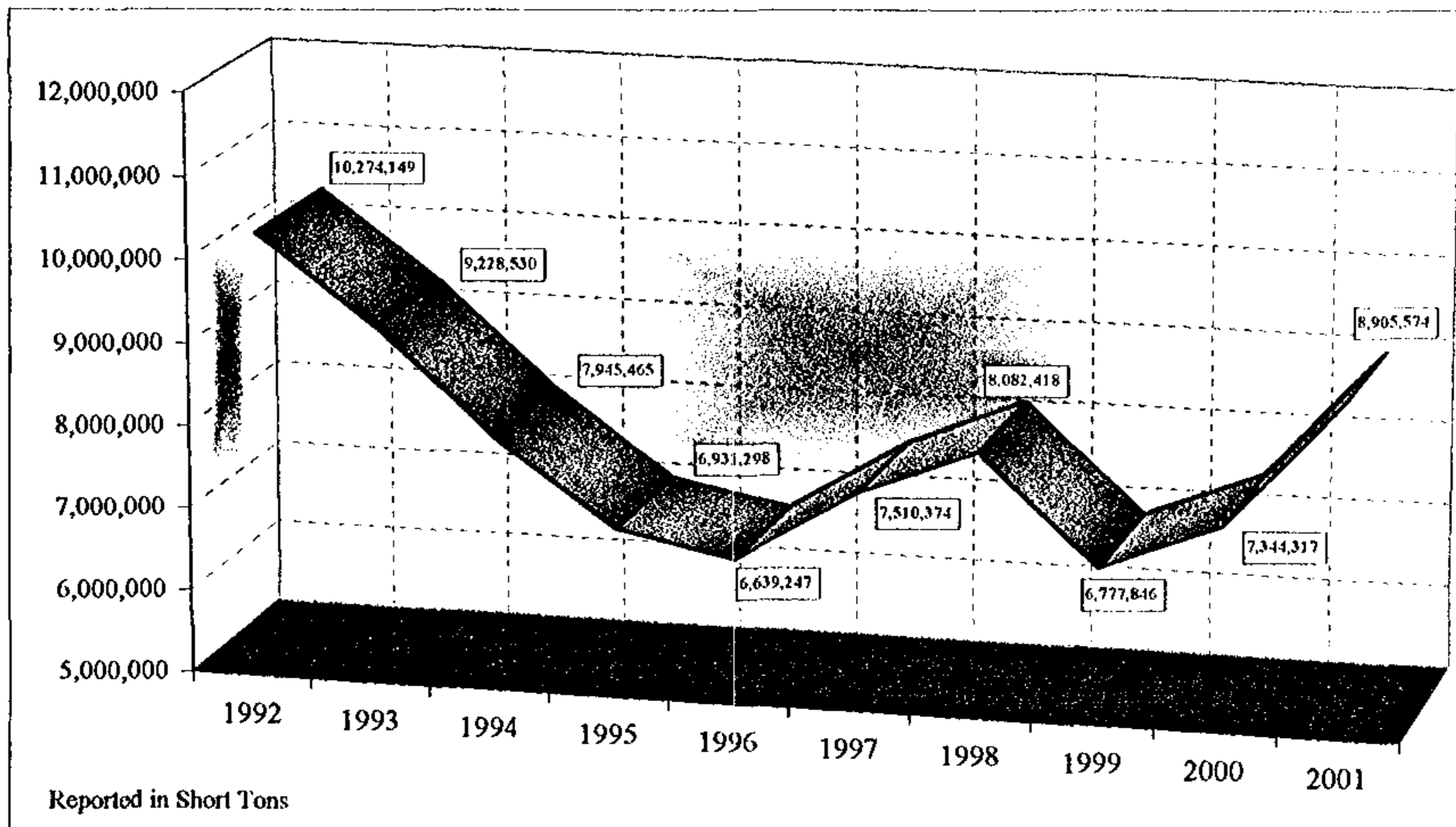
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
Reported in Short Tons (Unaudited)



**Greater Baton Rouge Port Commission
Five Year Cargo Summary
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
(Unaudited)**

	1997	1998	1999	2000	2001
Cargo Docks	600,861	419,255	222,308	143,437	124,431
Coke Handling Facility	908,882	1,502,761	1,377,154	1,577,809	1,675,117
Inland River Marine	7,294	21,871	4,721	66,963	129,811
Midstream Buoys	86,437	319,001	45,100	195,038	726,933
Petroleum Terminal	583,478	634,212	850,980	1,304,471	1,606,581
Molasses Terminal	289,508	316,560	112,307	246,905	250,912
Grain Elevator	689,475	320,822	676,921	265,772	362,639
Burnside Terminal	4,344,439	4,547,936	3,488,355	3,543,922	4,029,150
	<u>7,510,374</u>	<u>8,082,418</u>	<u>6,777,846</u>	<u>7,344,317</u>	<u>8,905,574</u>
	Reported in Short Tons				

**Greater Baton Rouge Port Commission
Ten Year Tonnage Summary
For the Fiscal Years Ended October 31, 1992 through 2000
and the Fourteen-month period ended December 31, 2001
(Unaudited)**



Greater Baton Rouge Port Commission
General Cargo Docks Cargo Comparison Report
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
Reported in Short Tons (Unaudited)

Import

Linerboard, MCS, etc.
Machines, Machinery, etc.
Ores, Earths, etc.
Pipes, Tubing, etc.
Steel Beams, Rail, etc.
Total Import Tonnage

FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
-	-	2,261	-	-
435	-	-	792	821
-	3,087	3,197	6,341	1,692
-	245	-	16,992	14,372
-	9,651	212	5,185	-
435	12,983	5,670	29,310	16,885

Export

Linerboard, MCS, etc.
Lumber, Flitches, etc.
Machinery
Pipes, Tubing, etc.
Plywood, Veneer, etc.
Woodpulp, Rolled Pulp, etc.
Miscellaneous Cargoes
Total Export Tonnage

FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
256,058	195,237	129,711	82,117	86,153
8,520	9,264	2,475	1,047	546
-	-	1,512	-	-
18,972	22,685	23,200	-	-
1,951	272	273	368	502
305,809	167,978	56,251	18,259	12,049
89	20	81	-	-
591,399	395,456	213,503	101,791	99,250

Domestic

Linerboard, MCS, etc.
Lumber, Flitches, etc.
Gas, Diesel, Fuels, etc.
Pipes, Tubing, etc.
Plywood, Veneer, etc.
Rice
Steel Beams, Rail, etc.
Woodpulp, Rolled Pulp, etc.
Miscellaneous Cargoes
Total Domestic Tonnage

FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
218	1,289	1,363	1,523	2
-	129	54	-	-
-	-	1,039	-	95
-	-	235	1,430	79
-	-	289	-	-
-	-	-	6,723	2,819
-	-	-	-	3,273
8,809	9,398	110	-	-
-	-	45	2,660	2,028
9,027	10,816	3,135	12,336	8,296

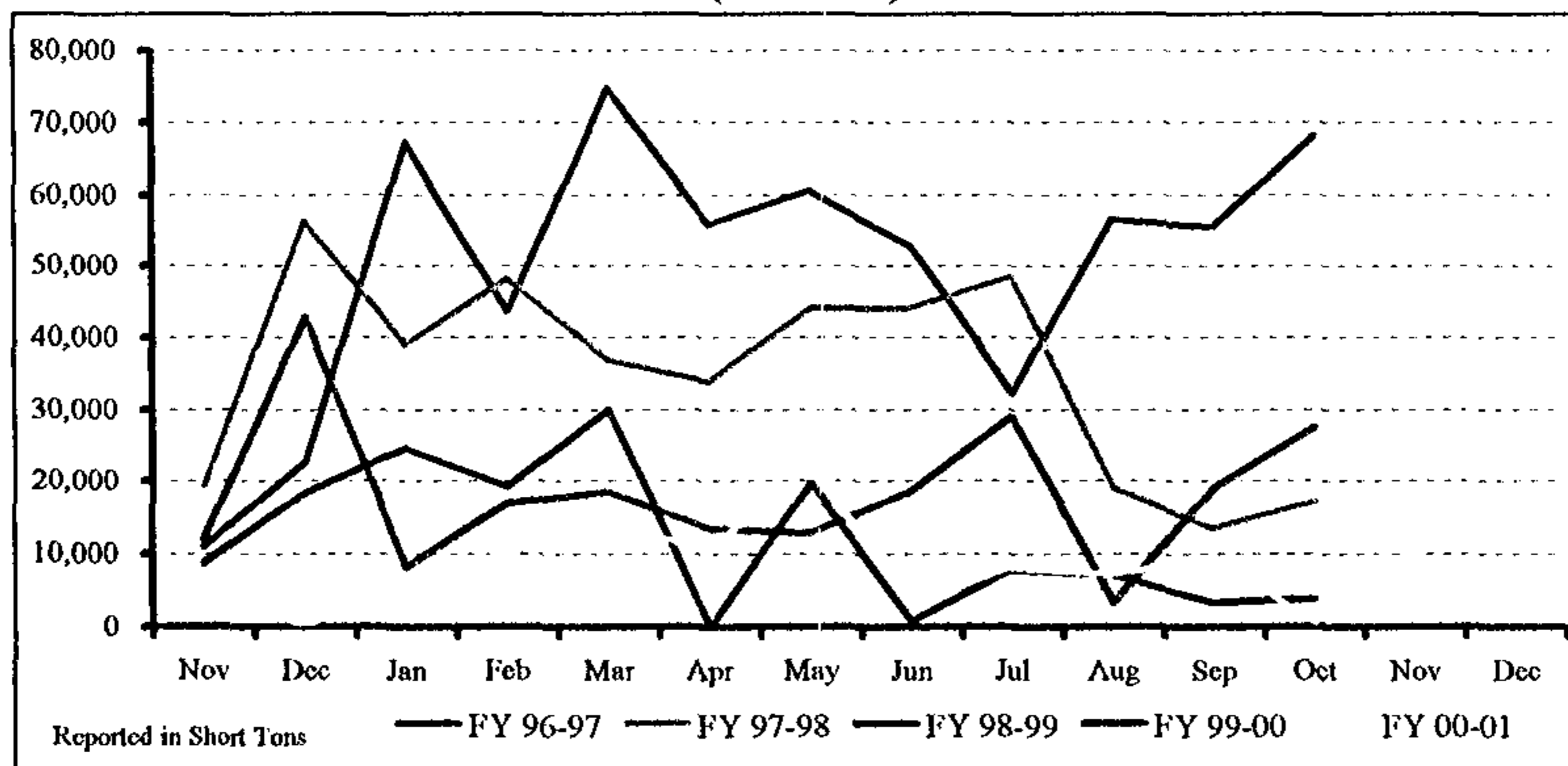
Total Tonnage Handled

600,861	419,255	222,308	143,437	124,431
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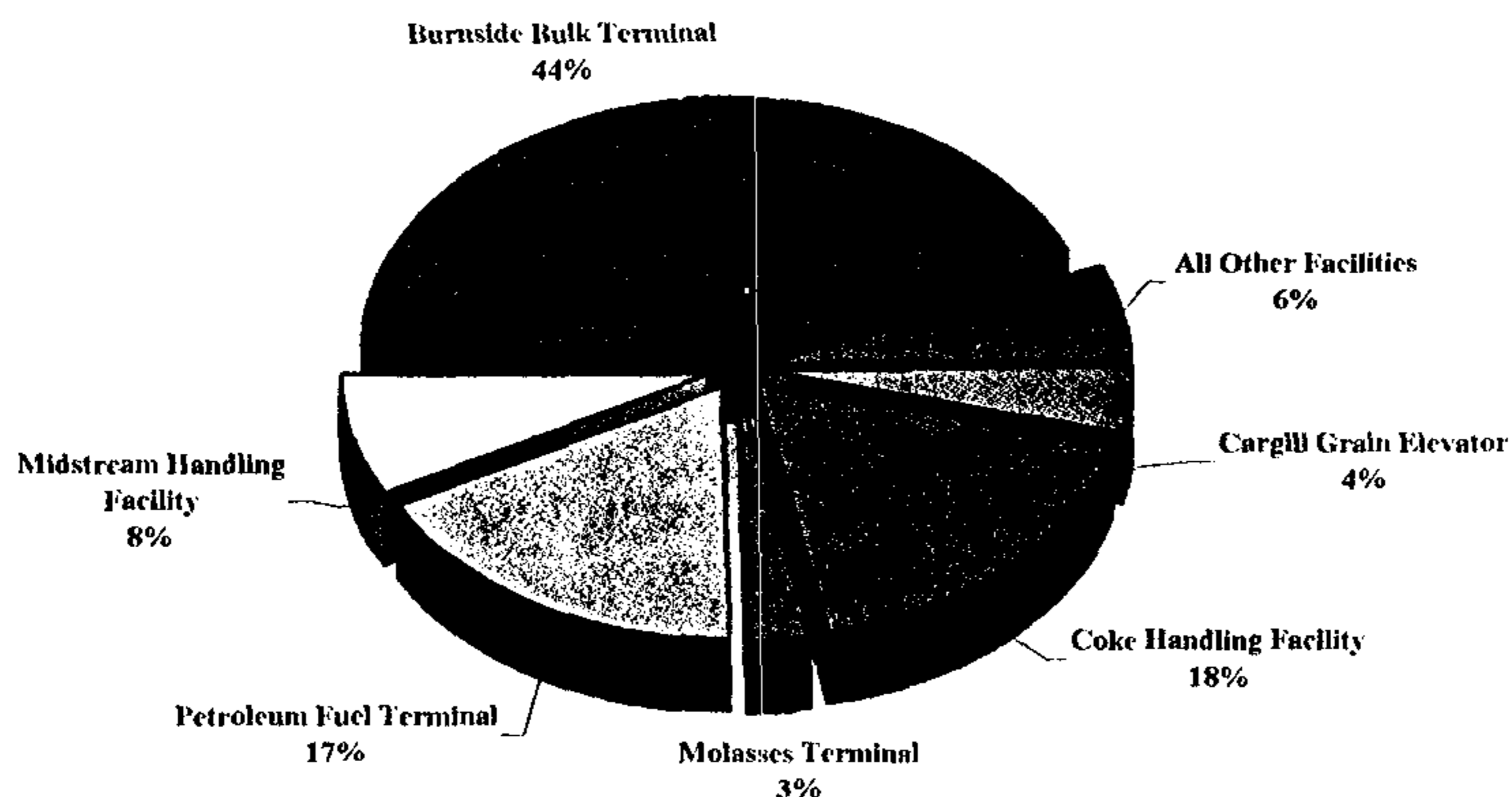
Greater Baton Rouge Port Commission
General Cargo Dock Tonnage
Five Year Comparison
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
(Unaudited)

	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
November	10,939	19,324	11,921	8,614	5,611
December	22,592	56,339	42,738	18,258	6
January	67,350	38,912	8,216	24,557	7,096
February	43,565	48,136	16,905	19,200	9,957
March	74,752	36,840	18,558	29,977	13,857
April	55,813	33,823	13,499	26	10,557
May	60,513	43,881	12,775	19,725	22,033
June	52,885	43,993	18,581	840	3,119
July	32,160	48,360	29,100	7,854	8,110
August	56,614	19,093	3,379	7,186	7,115
September	55,488	13,471	19,139	3,379	9,443
October	68,190	17,083	27,497	3,821	613
November					10,155
December					16,759
	<u>600,861</u>	<u>419,255</u>	<u>222,308</u>	<u>143,437</u>	<u>124,431</u>
	Reported in Short Tons				

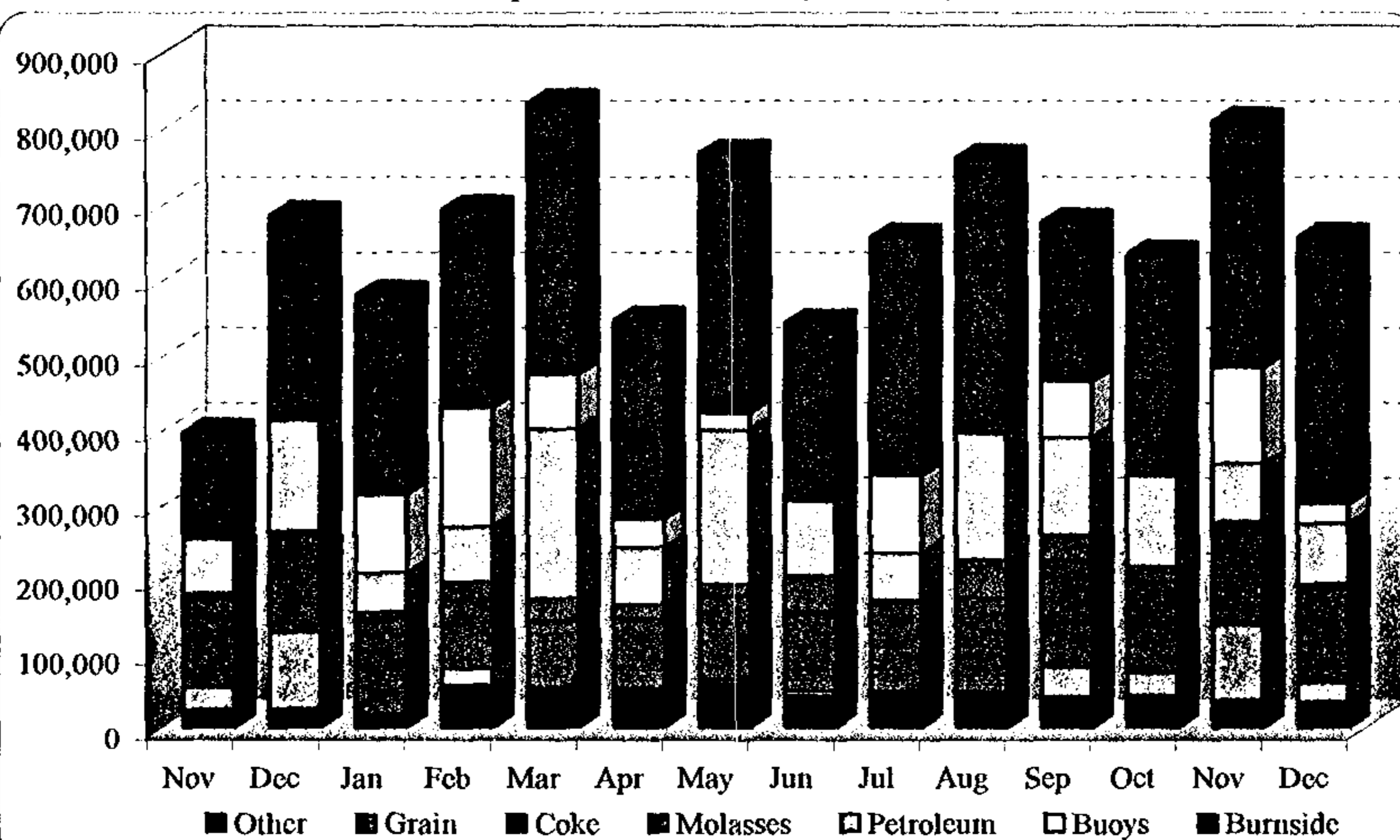
General Cargo Dock Tonnage
Five Year Cargo Movements
For the Fiscal Years Ended October 31, 1997 through 2000
and the Fourteen-month period ended December 31, 2001
(Unaudited)



**Percentage of Tonnage Handled by Facility
For the Fourteen-Month Period Ended December 31, 2001
Reported in Short Tons (Unaudited)**



**Monthly Cargo Activity
For the Fourteen-Month Period Ended December 31, 2001
Reported in Short Tons (Unaudited)**





COMPLIANCE

Independent Auditor's Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of the Basic Financial
Statements Performed in Accordance with
Government Auditing Standards



Hannis T. Bourgeois, LLP

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1175 Del Este Ave, Suite B
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Laura E. Monroe, CPA
 *A Professional Accounting Corporation

March 13, 2002

Greater Baton Rouge Port Commission
State of Louisiana
 Port Allen, Louisiana

We have audited the basic financial statements of the Greater Baton Rouge Port Commission as of December 31, 2001 and for the fourteen-month period then ended, and have issued our report thereon dated March 13, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Greater Baton Rouge Port Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Baton Rouge Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components

does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated March 13, 2002.

This report is intended for the information and use of the Greater Baton Rouge Port Commission and its management. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Hannia T. Bourgeois, LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Fourteen Months Ending December 31, 2001

C O N T E N T S

AFFIDAVIT

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Fourteen Months Ending December 31, 2001

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Bradley L. Stueber, Administrative Accountant of the Greater Baton Rouge Port Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater Baton Rouge Port Commission at December 31, 2001 and the results of operations for the fourteen month period ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23rd day of May, 2002.


Signature of Agency Official


NOTARY PUBLIC

Prepared by: Bradley L. Stueber

Title: Administrative Accountant

Telephone No.: (225) 342-1660

Date: May 23, 2002

Management's Analysis and Discussion

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission as it appears on pages 9 through 13 in the Introductory Section of this Comprehensive Annual Financial Report for the fourteen-month period ending December 31, 2001.

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2001**

Statement A

ASSETS

CURRENT ASSETS:

(in thousands)

Cash and cash equivalents (Note C1)	\$ <u>2,098</u>
Investments (Note C2)	<u>11,272</u>
Receivables (net of allowance for doubtful accounts)(Note U)	<u>698</u>
Due from other funds (Note Y)	<u>0</u>
Due from federal government	<u>801</u>
Inventories	<u>0</u>
Prepayments	<u>107</u>
Notes receivable	<u>227</u>
Restricted assets (Note F):	
Cash	<u>0</u>
Investments	<u>0</u>
Receivables	<u>0</u>
Other current assets	<u> </u>
Total current assets	<u>15,203</u>
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	<u>5,024</u>
Investments	<u>0</u>
Receivables	<u>11</u>
Notes receivable	<u>2,018</u>
Capital assets (net of depreciation)(Note D)	
Land	<u>3,742</u>
Buildings and improvements	<u>31,116</u>
Machinery and equipment	<u>1,184</u>
Infrastructure	<u>1,608</u>
Construction in progress	<u>3,339</u>
Other noncurrent assets	<u>282</u>
Total noncurrent assets	<u>48,324</u>
Total assets	\$ <u><u>63,527</u></u>

Statement A (Cont.)

LIABILITIES	(in thousands)
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ <u>1,713</u>
Due to other funds (Note Y)	<u> </u>
Due to federal government	<u> </u>
Deferred revenues	<u>339</u>
Amounts held in custody for others	<u> </u>
Compensated absences payable (Note K)	<u> </u>
Capital lease obligations - (Note J)	<u> </u>
Notes payable	<u> </u>
Liabilities payable from restricted assets (Note Z)	<u> </u>
Bonds payable	<u>285</u>
Other current liabilities	<u>263</u>
Total current liabilities	<u>2,600</u>
LONG-TERM LIABILITIES:	
Contracts payable	<u> </u>
Reimbursement contracts payable	<u> </u>
Compensated absences payable (Note K)	<u> </u>
Capital lease obligations (Note J)	<u> </u>
Notes payable	<u> </u>
Liabilities payable from restricted assets (Note Z)	<u> </u>
Bonds payable	<u>8,338</u>
Other long-term liabilities	<u>(15)</u>
Total long-term liabilities	<u>8,323</u>
Total liabilities	<u>10,923</u>
NET ASSETS	
Invested in capital assets, net of related debt	<u>36,525</u>
Restricted for:	
Capital projects	<u>4,143</u>
Debt service	<u>333</u>
Other purposes	<u> </u>
Unrestricted	<u>11,603</u>
Total net assets	<u>52,604</u>
Total liabilities and net assets	\$ <u><u>63,527</u></u>

The accompanying notes are an integral part of this financial statement.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE FOURTEEN MONTH PERIOD ENDED DECEMBER 31, 2001 **Schedule B**

OPERATING REVENUES	(in thousands)
Sales of commodities and services	\$ _____
Licenses, permits, and fees	<u>1,444</u>
Other	<u>3,669</u>
Total operating revenues	<u>5,113</u>
OPERATING EXPENSES	
Personal services	<u>2,251</u>
Contractual services	<u>0</u>
Travel	<u>86</u>
Operating services	<u>1,297</u>
Supplies	<u>172</u>
Professional services	<u>272</u>
Administrative	<u>0</u>
Depreciation	<u>2,312</u>
Other	<u>58</u>
Total operating expenses	<u>6,448</u>
Operating income(loss)	(1,335)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenue	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	<u>1</u>
Interest revenue	<u>1,278</u>
Federal grants	_____
Interest expense	<u>(577)</u>
Other	<u>(24)</u>
Total non-operating revenues(expenses)	<u>678</u>
Income(loss) before transfers and contributions	<u>(657)</u>
Transfers in	_____
Transfers out	_____
Income(loss) before contributions	<u>(657)</u>
Capital Contributions	<u>2,598</u>
Change in net assets	<u>1,941</u>
Total net assets – beginning as restated	<u>50,663</u>
Total net assets – ending	<u>\$ 52,604</u>

The accompanying notes are an integral part of this financial statement.

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE FOURTEEN MONTHS ENDED DECEMBER 31, 2001**

Schedule C

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Component Unit X	\$	\$	\$	\$	\$ 0
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					0
Change in net assets					0
Net assets - beginning					
Net assets - ending					\$ 0

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE FOURTEEN MONTH PERIOD ENDED DECEMBER 31, 2001**

Schedule D

		(in thousands)
Cash flows from operating activities		
Cash received from customers	\$ 5,665	
Cash payments to suppliers for goods and services	(2,628)	
Cash payments to employees for services	(1,661)	
Payments in lieu of taxes		
Claims paid to outsiders		
Other operating revenues(expenses)	765	
Net cash provided(used) by operating activities		2,141
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from issuance of notes payable		
Repayment of notes payable		
Interest paid on notes payable		
Operating grants received		
Donations received		
Transfers in		
Transfers out		
Net cash provided(used) by non-capital financing activities		0
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds	(270)	
Interest paid on bond maturities	(499)	
Proceeds from issuance of notes payable		
Repayment of notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(3,267)	
Proceeds from sale of capital assets	3	
Capital contributions	1,175	
Net cash provided(used) by capital and related financing activities		(2,858)
Cash flows from investing activities		
Purchase of investments securities	(21,054)	
Proceeds from sale of investment securities	20,135	
Interest and dividends earned on investment securities	1,209	
Net cash provided(used) by investing activities		290
Net increase(decrease) in cash and cash equivalents		(427)
Cash and cash equivalents at beginning of year		7,549
Cash and cash equivalents at end of year	\$	7,122

The accompanying notes are an integral part of this financial statement.

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS**

FOR THE FOURTEEN MONTH PERIOD ENDED DECEMBER 31, 2001

Schedule D (Cont.)

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

	(in thousands)
Operating income(loss)	\$ <u>(1,335)</u>
Adjustments to reconcile operating income(loss) to net	
Depreciation/amortization	<u>2,331</u>
Provision for uncollectible accounts	<u></u>
(Gain) Loss on Sale of Fixed Assets	<u>(1)</u>
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable	<u>46</u>
(Increase)decrease in contracts receivable	<u>215</u>
(Increase)decrease in due from other funds	<u></u>
(Increase)decrease in prepayments	<u>3</u>
(Increase)decrease in inventories	<u></u>
(Increase)decrease in other assets	<u></u>
Increase(decrease) in accounts payable	<u>(86)</u>
Increase(decrease) in accrued payroll and related benefits	<u></u>
Increase(decrease) in annual leave payable	<u></u>
Increase(decrease) in construction contracts	<u>1,022</u>
Increase(decrease) in due to other funds	<u></u>
Increase(decrease) in deferred revenues	<u>(48)</u>
Increase(decrease) in other liabilities	<u>(6)</u>
Net cash provided(used) by operating activities	\$ <u><u>2,141</u></u>

Schedule of noncash investing, capital, and financing activities (in thousands):

Borrowing under capital lease	<u></u>
Contributions of fixed assets	<u>784</u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
Change in Unrealized (Gain) Loss on Investments	<u>(75)</u>
Fixed Assets Acquired in Exchange for Lease Termination	<u>(784)</u>
Total noncash investing, capital, and financing activities:	<u><u>(75)</u></u>

The accompanying notes are an integral part of this statement.

INTRODUCTION

The Greater Baton Rouge Port Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 29, Article VI. The following is a brief description of the operations of the Port Commission which includes the four parishes in which the port is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Greater Baton Rouge Port Commission present information only as to the transactions of the programs of the Port Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. *Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.*

The accounts of the Port Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The Greater Baton Rouge Port Commission staff uses the following budgetary practices:

The Port Commission prepares the annual Operations and Maintenance budget for the internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The Board of Commissioners approves the budget. The adopted budget constitutes the authority of the Port Commission to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment from the General Fund budget. The Port Commission is not required to present a budget comparison in its financial statements.

(in thousands)	<u>APPROPRIATIONS</u>
Original approved budget for 12 month period ended October 31, 2001	\$ <u>3,713</u>
Amendments:	
Two additional months to change fiscal year end to December 31	<u>546</u>
Final approved budget for 14 month period ended December 31, 2001	\$ <u><u>4,259</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include demand deposits trust accounts. Under state law these deposits (or resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance and/or similar federal security must at all times equal the amount on the deposit with the fiscal agents.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal

deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at December 31, 2001, were secured as follows:

	Deposits in bank accounts (in thousands)			
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>145,274</u>	\$ <u> </u>	\$ <u>84,522</u>	\$ <u>229,796</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	<u> </u>	<u> </u>	<u>148,683</u>	<u>148,683</u>
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>	<u> </u>	<u> </u>	<u>0</u>	<u>0</u>
3. Uncollateralized, including any securities held for the entity <u>but not in the entity's name</u>	<u> </u>	<u> </u>	<u>173,191</u>	<u>173,191</u>
Total bank balances	\$ <u>0</u>	\$ <u>0</u>	\$ <u>321,874</u>	\$ <u>321,874</u>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u> (in thousands)
1.	Bank of West Baton Rouge		\$ <u>1,501</u>
2.	Bank One		<u>46,360</u>
3.	Hancock Bank - O & M		<u>97,153</u>
4.	Hancock Bank - General Fund Checking		<u>(91,820)</u>
5.	Hancock Bank - Interest Bear		<u>92,080</u>
6.	Hancock Bank Trust Accounts		<u>84,522</u>
	Total		\$ <u>229,796</u>

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at December 31, 2001? If yes, attach a statement listing the amount(s) and a reason for this occurrence.

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to

amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet.

Cash in State Treasury	\$	<u>0</u>
Petty cash (in dollars)	\$	<u>500</u>

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Greater Baton Rouge Port Commission does maintain investment accounts as authorized by the laws of the State of Louisiana.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counter party's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counter party, or by its trust department or agent but not in the entity's name.

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

<u>Type of Investment</u> (in thousands)	<u>Category of Risk</u>			<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____ 0	\$ _____
U.S. Government securities	_____	_____	11,272	11,272	11,272
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other: (identify)	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ _____ 0	\$ _____ 0	\$ _____ 11,272	\$ _____ 11,272	\$ _____ 11,272
Investments not categorized: (list separately)	_____			_____	_____
	_____			_____	_____
Total investments				\$ _____ 11,272	\$ _____ 11,272

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____
_____.
- b. Securities underlying reverse repurchase agreements _____
_____.
- c. Unrealized investment losses _____
_____.
- d. Commitments as of December 31, 2001, to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at December 31 of securities to be resold _____
_____.
 - 2. Description of the terms of the agreement _____

_____.
- e. Investment types owned during the year but not owned as of December 31, 2001
_____.
- f. Losses during the year due to default by counter parties to deposit or investment transactions _____.
- g. Amounts recovered from prior-period losses, which are not shown separately on the balance sheet _____.

Legal or Contractual Provisions for Reverse Repurchase Agreements

- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____.
- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____
_____.

Reverse Repurchase Agreements as of the Balance Sheet Date

- j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
_____.

- k. Commitments on December 31, 2001, to repurchase securities under yield maintenance agreements _____.
- l. Market value on December 31, 2001, of the securities to be repurchased _____.
- m. Description of the terms of the agreements to repurchase _____.
- n. Losses recognized during the year due to default by counter parties to reverse repurchase agreements _____.
- o. Amounts recovered from prior-period losses, which are not separately shown on the operating statement _____.

Fair Value Disclosures

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____.
- q. Basis for determining which investments, if any, are reported at amortized cost _____.
- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____.
- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____.
- t. Any involuntary participation in an external investment pool _____.
- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____.
- v. Any income from investments associated with one fund that is assigned to another fund _____.

D. CAPITAL ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

(in thousands)	14 Month Period Ended December 31, 2001				
	Balance 11/01/2000	Additions	Transfers *	Retirements	Balance 12/31/01
Capital assets not being depreciated					
Land	3,742	--	--	--	3,742
Non-depreciable land improvements	--	--	--	--	--
Capitalized collections	--	--	--	--	--
Construction in progress	2,068	3,256	(1,985)	--	3,339
Total capital assets not being depreciated	5,810	3,256	(1,985)	--	7,081
Other capital assets					
Furniture, fixtures, and equipment	4,507	106	--	(73)	4,540
Less accumulated depreciation	(3,210)	(216)	--	70	(3,356)
Total furniture, fixtures, and equipment	1,297	(110)	--	(3)	1,184
Buildings and improvements	61,818	2,676	--	--	64,494
Less accumulated depreciation	(31,487)	(1,891)	--	--	(33,378)
Total buildings and improvements	30,331	785	--	--	31,116
Depreciable land improvements	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--
Infrastructure	5,303	--	--	--	5,303
Less accumulated depreciation	(3,489)	(206)	--	--	(3,695)
Total infrastructure	1,814	(206)	--	--	1,608
Total other capital assets	33,442	469	--	(3)	33,908
Capital Asset Summary:					
Capital assets not being depreciated	5,810	3,256	(1,985)	--	7,081
Other capital assets, at cost	71,628	2,782	--	(73)	74,337
Total cost of capital assets	77,438	6,038	(1,985)	(73)	81,418
Less accumulated depreciation	(38,186)	(2,313)	--	70	(40,429)
Capital assets, net	39,252	3,725	(1,985)	(3)	40,989

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The Port Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Greater Baton Rouge Port Commission at December 31, 2001, reflected at \$0 in the current assets section on Statement A, consist of \$0 in cash with fiscal agent and \$0 in receivables.

Restricted assets in the Greater Baton Rouge Port Commission at December 31, 2001, reflected at \$5,035,474 in the non-current assets section on Statement A, consist of \$5,024,004 in cash with fiscal agent and \$11,470 in interest receivables.

G. LEAVE**1. COMPENSATED ABSENCES**

The Greater Baton Rouge Port Commission has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the Operating Fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at December 31, 2001 computed in accordance with the Codification of Governmental

Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$74,740. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Port Commission are members of the Louisiana State Employees' Retirement System, a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Port Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fourteen month fiscal year ended December 31, 2001, remained at 13% of annual covered payroll. The Port Commission contributions to the System for the fourteen month period ending December 31, 2001 and the twelve month fiscal years ending October 31, 2000 and 1999, were \$194,328, \$158,210, and \$150,412, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**

4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

****If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.**

Substantially all Port Commission employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Port Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Port Commission. For the fourteen month period ending December 31, 2001, the cost of providing those benefits for the 23 retirees totaled \$78,223.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year December 31, 2001 amounted to \$0. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008- 2012</u>	<u>FY2013- 2015</u>
	\$	\$	\$	\$	\$	\$	\$
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain

purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

<u>Nature of lease</u>	<u>Date of lease</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space	_____	_____	\$ _____	\$ _____	_____
b. Equipment	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____
Total			\$ <u>0</u>	\$ <u>0</u>	

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending December 31, :</u>	<u>Total</u>
2003	\$ _____
2004	_____
2005	_____
2006	_____
2007	_____
2008-2012	_____
2013-2015	_____
Total minimum lease payments	<u>0</u>
Less amounts representing executory costs	_____
Net minimum lease payments	<u>0</u>
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u>0</u>

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>
a. Office space	_____	\$ _____
b. Equipment	_____	_____
c. Land	_____	_____
Less amounts representing executory costs		_____
Minimum lease payment receivable		0
Less allowance for doubtful accounts		_____
Net minimum lease payments receivable		0
Less unearned income		_____
Net investment in direct financing lease		\$ 0

Minimum lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2002 were \$0 for office space, \$0 for equipment, and \$0 for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of December 31, 2001:

Year ending December 31:	
2003	\$ _____
2004	_____
2005	_____
2006	_____
2007	_____
2008-2012	_____
2013-2017	_____
Total	\$ 0

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2001:

(in thousands)	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
a. Facility Space	\$ 35,513	\$ (17,884)	\$ 17,629
b. Equipment	2,257	(2,232)	25
c. Land	563	(447)	116
Total	<u>\$ 38,333</u>	<u>\$ (20,563)</u>	<u>\$ 17,770</u>

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of December 31, 2001:

Fourteen-Month Period Ended December 31, 2002	Facility Space	Equipment	Land	Other	Total
2002	\$ 1,025	\$ 0	\$ 250	\$ 0	\$ 1,275
2003	753	0	214	0	967
2004	636	0	164	0	800
2005	454	0	117	0	571
2006	185	0	24	0	209
And Later	3	0	5	0	8
Total	<u>\$ 3,056</u>	<u>\$ 0</u>	<u>\$ 774</u>	<u>\$ 0</u>	<u>\$ 3,830</u>

There were no contingent rentals from operating leases received in the fiscal year for office space, equipment and for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the fourteen-month period ended December 31, 2001:

(in thousands)	Fourteen-Month Period Ended December 31, 2001				
	Balance 31-Oct 2000	Additions	Reductions	Balance 31-Dec 2001	Amounts due within one year
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable	8,878		270	8,608	285
Total notes and bonds	8,878	--	270	8,608	285
Other liabilities:					
Contracts payable				--	
Compensated absences payable				--	
Capital lease obligations				--	
Liabilities payable from restricted asse				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	--	--	--	--	--
Total long-term liabilities	8,878	--	270	8,608	285

A detailed summary, by issues, of all debt outstanding at December 31, 2001 including outstanding interest of \$4,840,000 is shown on schedule 4.

L. LITIGATION

- The Greater Baton Rouge Port Commission is not a defendant in litigation seeking damages as of December 31, 2001 or subsequent to the filing of this report.

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
			\$	\$
Totals			\$ 0	\$ 0

M. RELATED PARTY TRANSACTIONS

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions).

N. ACCOUNTING CHANGES

The Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board Statement Numbers 34 and 37, Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments as of November 1, 2000. This results in a change in the format and content of the basic financial statements.

O. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ 0

P. DEFEASED ISSUES

There were no defeased issues during the fourteen-month period ended December 31, 2001 for the Greater Baton Rouge Port Commission.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

As of December 31, 2001, the Greater Baton Rouge Port Commission had four cooperative endeavors awarded in the amount of \$11,264,731. Approximately \$3,153,498 of the costs have been incurred. The Port Commission has received reimbursement for these projects of \$1,015,789 from the Department of Transportation and Development. The estimated Port Commission liability to complete construction work in progress after maximum reimbursement is approximately \$675,000, plus additional fees for testing and inspection. At December 31, 2001, contracts for construction work in the amount of approximately \$4,727,000 have not been awarded.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated non-exchange transactions (grants) were received during fiscal year 2001-2002:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ 0

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2001, the Greater Baton Rouge Port Commission had no violations of finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

The Greater Baton Rouge Port Commission does not issues short-term notes.

Short-term debt activity for the year ended December 31, 2001, was as follows:

	Reason for Debt	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes		\$	\$	\$	\$ 0

The Greater Baton Rouge Port Commission does not use a revolving line of credit for financing purposes prior to the issuance of related bonds.

Short-term debt activity for the year ended December 31, 2001, was as follows:

	Reason for Debt	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit		\$	\$	\$	\$ 0

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2001, were as follows (in thousands):

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ 542	\$	\$ 801	\$ 2,411	\$ 3,754
					0
Gross receivables	\$ 542	\$ 0	\$ 801	\$ 2,411	\$ 3,754
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 542	\$ 0	\$ 801	\$ 2,411	\$ 3,754
Amounts not scheduled for collection during the subsequent year	\$ 0	\$ 0	\$ 0	\$ 2,018	\$ 2,018

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2001, were as follows (in thousands):

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 224	\$ 291	\$ 28	\$ 1,170	\$ 1,713
					0
Total payables	\$ 224	\$ 291	\$ 28	\$ 1,170	\$ 1,713

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Port Commission occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

A. Condensed statement of net assets:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or the Port Commission should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or Port Commission's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Statement of Net Assets:

	<u>Segment #1</u> (in thousands)	<u>Segment #2</u>
Current assets	\$ 15,203	\$
Due from other funds		
Capital assets	40,989	
Other assets	7,335	
Current liabilities	2,600	
Due to other funds		
Long-term liabilities	8,323	
Restricted net assets	4,476	
Unrestricted net assets	11,603	
Invested in capital assets, net of related debt	36,525	

B. Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

- (1) Operating revenues (by major source)
- (2) Operating expenses, Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss)
- (4) Non-operating revenues (expenses) – with separate reporting of major revenues and expenses
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u> (in thousands)	<u>Segment #2</u>
Operating revenues	\$ 5,113	\$
Operating expenses	4,136	
Depreciation and amortization	2,312	
Operating income (loss)	(1,335)	0
Nonoperating revenues (expenses)	678	
Capital contributions/additions to permanent and term endowments	2,598	
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	1,941	0
Beginning net assets	50,663	
Ending net assets	52,604	0

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u> (in thousands)	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 2,141	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	(2,858)	_____
Net cash provided (used) by investing activities	290	_____
Beginning cash and cash equivalent balances	7,549	_____
Ending cash and cash equivalent balances	7,122	0

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
Due from Other Governments	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds	_____	\$ 0

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ <u>0</u>

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u>0</u>

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u>0</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Greater Baton Rouge Port Commission at December 31, 2001, reflected at \$547,713 in Current Liabilities Payable from Restricted Assets on Statement A, consist of \$285,000 in Current Portion of Bonds Payable, \$162,786 in Accrued Bond Interest and \$99,927 in Unredeemed Bonds and Coupons.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to restate beginning net assets for November 1, 2000.

Fund balance Nov 1, 2000 previously reported	Adjustments + or (-)	Beginning net assets, Nov 1, 2000, As restated
\$		\$
		--
		--
		--
		--
		--
		--
		--

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at November 1, 2000, previously reported, must correspond to Net Assets at October 31, 2000, per the information received from OSRAP.)

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Fourteen Months Ended December 31, 2001**

Schedule 1

<u>Commissioner</u>	<u>Amount in dollars</u>
<u>Anderson, Johnny</u>	\$ <u>1,050</u>
<u>Brian, Randy</u>	<u>1,725</u>
<u>Burgess, Lorri Ann</u>	<u>600</u>
<u>D'Agastino, Charles</u>	<u>1,800</u>
<u>Dragg, Alvin</u>	<u>1,725</u>
<u>Ishmael, Calvin</u>	<u>1,125</u>
<u>Johnson, Larry</u>	<u>2,025</u>
<u>Juneau, Jerald</u>	<u>150</u>
<u>Kimball, H. M.</u>	<u>2,025</u>
<u>Ribes, Sandra</u>	<u>75</u>
<u>Robertson, Lynn</u>	<u>1,725</u>
<u>Scott, Henry</u>	<u>1,800</u>
<u>Smith, Lucille</u>	<u>1,875</u>
<u>Thibaut, Charles</u>	<u>1,725</u>
<u>Wales, Robert</u>	<u>1,875</u>
<u>Wallace, Steve</u>	<u>1,425</u>
<u>Woods, Larry</u>	<u>1,650</u>
	\$ <u><u>24,375</u></u>

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF STATE FUNDING
For the Fiscal Year Ended December 31, 2001**

Schedule 2

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u>0</u>

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
December 31, 2001**

Schedule 3-A

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/2000	Redeemed (Issued)	Principal Outstanding 12/31/2001	Interest Rates	Interest Outstanding 12/31/2001
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF NOTES PAYABLE
December 31, 2001**

Schedule 3-B

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/2000	Redeemed (Issued)	Principal Outstanding 12/31/2001	Interest Rates	Interest Outstanding 12/31/2001
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF BONDS PAYABLE
December 31, 2001
(in thousands)

Schedule 3-C

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/2000	Redeemed (Issued)	Principal Outstanding 12/31/2001	Interest Rates	Interest Outstanding 12/31/2001
1999A	03/31/99	\$5,700	\$5,535	\$	\$5,365	8% - 5.5%	\$ 3,111
1999B	03/31/99	3,300	3,205	\$	\$ 3,105	8% - 5.25%	\$ 1,729
Total		\$ 9,000	\$ 8,740	\$	\$ 8,470		\$ 4,840

*Send copies of new amortization schedules

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For the Fourteen Month Period Ended December 31, 2001

Schedule 4-A

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
Total	\$ _____	\$ _____

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Fourteen Month Period Ended December 31, 2001**

Schedule 4-B

<u>Fiscal Year Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2003	\$ _____	\$ _____	\$ _____	\$ _____ --
2004	_____	_____	_____	_____ --
2005	_____	_____	_____	_____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008-2012	_____	_____	_____	_____ --
2013-2017	_____	_____	_____	_____ --
2018-2022	_____	_____	_____	_____ --
2023-2027	_____	_____	_____	_____ --
Total	\$ _____ --	\$ _____ --	_____ --	_____ --

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Fourteen Month Period Ended December 31, 2001**

Schedule 4-C

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
 Total	 \$ _____ --	 \$ _____ --

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Fourteen Month Period Ended December 31, 2001**

Schedule 4-D

<u>Fiscal Year Ending:</u>	Amounts in thousands	
	<u>Principal</u>	<u>Interest</u>
2002	\$ <u>285</u>	\$ <u>477</u>
2003	<u>300</u>	<u>455</u>
2004	<u>320</u>	<u>433</u>
2005	<u>340</u>	<u>410</u>
2006	<u>355</u>	<u>388</u>
2007-2011	<u>2,100</u>	<u>1,576</u>
2012-2016	<u>2,740</u>	<u>933</u>
2017-2021	<u>2,030</u>	<u>168</u>
2022-2026	<u>--</u>	
Total	\$ <u><u>8,470</u></u>	\$ <u><u>4,840</u></u>

RECEIVED
LEGISLATIVE COUNCIL
02 MAY 29 AM 11:08

GREATER BATON ROUGE
PORT COMMISSION
MANAGEMENT LETTER
DECEMBER 31, 2001
PORT ALLEN, LOUISIANA



Hannis T. Bourgeois, LLP

Certified Public Accountants

Randy J. Bonbecaze, CPA*
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1175 Del Este Avenue, Suite B
Denham Springs, LA 70726

March 13, 2002

Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

In planning and performing our audit of the basic financial statements of the Greater Baton Rouge Port Commission for the fourteen-month period ended December 31, 2001, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, during our audit we became aware of certain matters, which are opportunities to strengthen internal controls as discussed below. This letter does not affect our report dated March 13, 2002 on the financial statements of the Port Commission.

Budget Policy

Finding:

In the current year, it was noted that although the Port Commission prepares and adopts an annual budget, there was not a formal budget policy in effect. Also, the original budget was not amended during the year to reflect the increases or decreases of revenues and expenses.

Recommendation:

We recommend that the Port Commission adopt a formal budget policy and periodically prepare budget amendments as necessary during the year. By implementing this recommendation, the budgeting process would be more efficient and effective.

Corrective Action Taken:

Since year-end, management has adopted a formal budget policy and has begun to more closely monitor the budget in order to make necessary amendments as the year progresses.

Construction Contracts Payable

Finding:

As a result of our current year audit procedures, it was noted that the December applications for payment submitted to the Port Commission for two of the incomplete construction projects at December 31, 2001, had not been recorded as payables as of year-end. Likewise, the corresponding amount due from the State for the capital contributions on these projects was also not recorded. All necessary adjusting journal entries were made to the financial statements as presented in our report.

Recommendation:

We recommend that the Port Commission implement new procedures to ensure that proper year-end cutoff on the construction contracts is achieved.

Travel Policy and Related Expenses

Finding:

Meals

During the current year, it was noted that there were several areas where the Port's policy governing travel and related meals and entertainment expenses lacked specific guidance in establishing certain guidelines on average standard meal rates/standard per diems, and where reimbursement of meal cost is appropriate. Also, we noted lack of documentation on meal expenses relating to business purposes including individuals entertained and documentation to justify the necessity of luxury dining, if applicable.

Travel

We also noted that the policy lacked specific guidance establishing guidelines on standard hotel rates, and flight arrangements using "first class" vs. "coach class" particularly on international flights. Also, we noted a lack of documentation of the necessity of the travel including the specific benefits to the Port (business purpose) including reasons for early arrivals and late departures.

Recommendation:

We recommend the Port Commission adopt a more comprehensive travel policy closely using the State of Louisiana's Travel Policy as guidance in considering what is "reasonable" vs. "excessive" vs. "public perception". Furthermore, the new policy should require more extensive documentation to substantiate the necessity and reasonableness of the expenses.

Corrective Action Taken:

In September 2001, the Port Commission adopted a new travel policy that contained more specific requirements as to obtaining "government rates" when possible, establishing standard per diem rates and completing additional forms aimed at providing better documentation to support the business purpose of the expenses. We tested some travel and related expenses incurred subsequent to the adoption of the new travel policy and no exceptions were noted.

Unclassified Employees

It was noted during the year that several unclassified employees are earning leave that is more generous than what the Civil Service allows to be converted into retirement credits upon an employee's retirement.

Recommendation:

We recommend the Port Commission consult with the LASERS and with their attorney to determine the appropriate course of action.

Corrective Action Taken:

The Port Commission is presently looking into the matter to determine an appropriate resolution.

This report is intended solely for the information and use of the Greater Baton Rouge Port Commission and its management. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP



PORT OF GREATER BATON ROUGE

RECEIVED
LEGISLATIVE AUDITOR
02 MAY 29 AM 11:12

Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

May 15, 2002

Dr. Dan Kyle
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-4272

Dear Dr. Kyle,

This letter is written in response to matters of internal control as reported by our auditors, Hannis T. Bourgeois, from their letter dated March 13, 2002. Each item is listed below.

Budget Policy

Finding:

The Greater Baton Rouge Port Commission does not have a formal budget policy in place and the original budget was not amended during the year to reflect changes in revenues and expenses.

Corrective Action Taken:

As noted by Hannis T. Bourgeois, the Board adopted a formal budget policy and staff has begun to monitor the budget more closely. Necessary amendments will be made as the year progresses.

Construction Contracts Payable

During current year audit procedures, it was noted that two applications for payment, for two of the unfinished construction projects, had not been recorded as payables as of year-end. Likewise, the corresponding amount due from the State for capital outlay contributions on these projects was also not recorded. However, all necessary adjusting journal entries were made to the financial statements and reflected in the audit report.

Corrective Action Taken:

As recommended by the auditor, port staff will implement new procedures prior to year-end to ensure that proper cutoff is achieved for the construction contracts.

Travel Policy and Related Expenses

Finding:

Meals

During the current year, it was noted that the Port's policy governing travel and related expenses lacked specific guidance in the establishment of standard meal rates, per diems and when reimbursement of meals is appropriate. There was also a lack of documentation on meal expenses that identified the business purposes, individuals entertained, and the justification or necessity of luxury dining, if applicable.

Travel

It was also noted that the policy lacked specific language concerning guidelines on standard hotel rates and flight arrangements using "first class" vs "coach class," particularly on international flights. Further noted was a lack of documentation of the necessity of the travel including the specific benefits to the Port (business purpose) including reasons for early arrivals and departures.

Corrective Action Taken:

Again, as noted by the auditor, the Port Commission adopted a new travel policy in September of 2001 that contained more specific requirements as to obtaining "government rates" when possible, establishing standard per diem rates, and also added forms for providing better documentation to support the business purpose of the expenses. Subsequent audit tests reported no exceptions to the policy.

Unclassified Employees

Finding:

It was noted during the year that several unclassified employees are earning leave that is more generous than is allowed to be converted to retirement credit upon an employee's retirement.

Corrective Action Taken:

Port staff is looking into this matter to determine the appropriate resolution. Current discussions are underway with Civil Service, LASERS, and Port attorneys.

Should you require clarification regarding any of the above, you may contact me or Al Starns, Director of Finance/Administration at (225) 342-1660.

Sincerely,



Roger P. Richard
Executive Director and CEO

xc: Al Starns
Audit file